



RUENTEX

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RUENTEX ENGINEERING & CONSTRUCTION CO., LTD.

2023 Annual Report

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Appendix **A**: 2023 Consolidated Financial Statement & CPA Audit Report

Appendix **B**: 2023 Individual Financial Statement & CPA Audit Report

One. Report to Shareholders

Dear shareholders, ladies, and gentlemen:

In 2023, due to factors such as high interest rates, high inflation, and China's post-pandemic economic performance was not as good as expected, global demand for end products will be weak, resulting in a slowdown in manufacturing activities in various countries. In addition, the expansion of the US-China chip ban, the Russo-Ukrainian war and the conflict in Israel has not stopped, and has had an impact on global economic development and social stability. Although domestic private consumption is stable, the weak export of goods and the sluggish enterprises' willingness to invest have caused Taiwan's economic growth to be less than expected.

In 2023, the Company was in the inspection and acceptance stage due to several large-scale construction projects undertaken, and the new business was starting to be executed, resulting in a decrease in revenue compared to the previous year. Therefore, the net profit attributable to the owners of the parent company in 2023 was NT\$1.902 billion, lower than that of 2022 at NT\$2.061 billion, a decrease of 7.68%.

Looking forward to 2024, although global inflation is slowing down and the interest rate hike cycle by central banks is gradually coming to an end, the global economic recovery will still falter. However, the government continues to expand the strength of public construction, which shows that the growth momentum of the civil engineering market is still strong, and the capital expenditure of factories is also increasing. In addition, semiconductor manufacturers continue to invest in advanced processes, supported by green energy and carbon reduction equipment, and the investment situation is promising. Therefore, the Company will maintain the operating target for positive growth, widen the quality gap with the industry peers, continue to strengthen professional training, improve the quality of engineers, develop new engineering technologies and technological machinery, grasp relevant resources, strengthen the Company's capability, and create profits to share with shareholders.

I. Business Status:

Major projects in 2023 Include: Please refer to the details of the following cases.

- (1) Completion sites: 7 construction projects including the new construction of Yungkuan Taichung Port Plant.
- (2) On-going Construction Sites: A total of 30 construction projects, including T Project - Packaging and Testing Plant C in the Southern Taiwan Science Park.
- (3) Newly contracted construction sites: 8 construction projects including the new F22P1 FAB shell package precast project.

II. Financial Performance:

The Company's 2023 consolidated operating revenue was NT\$22.5253 billion, a decrease of 8.46 % from NT\$24.58307 billion in the previous year; the 2023 unconsolidated subsidiaries' revenue was NT\$17.15898 billion, down by 16.38 % from NT\$20.52095 billion from the previous year; net profit attributable to owners of the parent was NT\$1.9022 billion, down 7.68% from NT\$2.06053 billion of the previous year. Highlights of the operating results are stated as follows:

(I) Outcomes of the implementation of the business plan:

Unit: NTD in Hundred Millions

Year Project	2023		2022		Increased (Decreased) Amount	
	Amount	%	Amount	%	Difference	Proportion of Increase (Decrease) (%)
Operation income	225.03	100.00	245.83	100.00	-20.80	-8.46
Gross Profit	34.63	15.38	33.88	13.78	0.75	2.19
Operating Profit	24.54	10.90	24.40	9.92	0.14	0.59
Income (Loss) Before Tax	25.10	11.15	26.27	10.68	-1.17	-4.45
Total Consolidated Income (Loss)	20.38	9.05	21.28	8.65	-0.90	-4.21
Net Income Attributable to Shareholders of the Parent	19.02	8.45	20.61	8.38	-1.59	-7.68
Equity per Share (NT\$)	10.28	-	11.14	-	-0.86	-7.71

(II) Budget Achievement:

In 2023, the Company executed its projects strictly in accordance with the approved budget. The overall gross margin increased due to the remaining balance of production and construction costs in some cases. Operating expenses for the year are consistent with the forecast.

(III) Portability Analysis:

Item		2023	2022
Financial Structure (%)	Liabilities to Assets Ratio (%)	63.21	63.84
	Long-term Capital to PP&E Ratio (%)	338.37	293.32
Solvency (%)	Current Ratio (%)	138.07	108.56
	Quick ratio (%)	66.75	48.62
Profitability (%)	Return on Assets (%)	9.62	10.97
	Return on Equity (%)	25.23	26.12
	Profit Margin (%)	9.05	8.65

III. Main Business Development Strategies

Aspect	Key Points of Strategy
Establish key competitiveness	1. Cost control.
	2. Talent utilization.
	3. Technology upgrade.
	4. Self-owned construction team.
Strengthening the advantages of Synergy	1. Continue R&D and innovation.
	2. Advanced pre-casting method.
	3. Make full use of the advantages of turnkey contract (consultation + construction).
	4. Strengthen software application (design, synchronous operation).
	5. KM (Knowledge Base).
First choice for high-tech manufacturers	1. Contracted for the entire FAB factory of TSMC.
	2. High-tech factory service SOP.

IV. Research and Development

The R&D team of the Company will fully promote the "ESG" work in line with the government's policy, adjust the carbon footprint and carbon content of the supply chain, customers, products, and adopt new processing methods and technologies. Accommodating the worldwide trends, the Company puts forth maximum possible efforts to achieve energy conservation and carbon reduction targets in concert with continued efforts in research and development improvement, including notably rational construction, intellectually oriented production, and information-based management and the like to lay a new generation foundation in competition for the Company to, in turn, lead to creation of an ambiance of innovative research and development in the industry further into industrial upgrade. Through concerted endeavors, it will jointly strive toward more comfortable, safer, environmentally friendly, sustainable, and energy-conservation oriented living spaces.

V. Future Outlook

This coming year, the Company will continue to uphold the integrity and stability of its business operations, actively carve out a niche, strengthen the contracting of technology plant projects and precast projects to improve operating profit, and continue promoting standardization, modularization, and application of industrial engineering technology to reduce costs. The Company also aims to combine government resources to innovate and develop, apply its special engineering technology and various precast patents to relevant construction projects, so that we can combine ESG to become a leading enterprise in environmental protection, energy saving, and sustainable construction, expand the Company's energy and market share, and create value and profit for shareholders, employees and the society, in order to fulfill the social responsibility of benefiting society and secure people's livelihood.

We wish you

Good health and all the best,

Chairman **Li, Jhih-Hong**

[Business Report - Appendix]**(I) Completed Construction Sites:**

Item	Project
1	New construction of Yungkuan Taichung Port Plant
2	F18P8 precast project
3	Phison Electronics's phase 3 restaurant, plant use license change, and interior design project
4	UHPC energy storage cabinet manufacturing and assembly
5	Electricity and air conditioning construction for the Microscope Room of National Taiwan University
6	Ruentex Development Banqiao Minsheng Road new construction
7	Ruentex Development Jiangcui A new construction

(II) Ongoing Construction Sites:

Item	Project
1	New construction of T Project Nanke Assembly and Test Plant C
2	Guangfu South Road PC precast project
3	Spiritist Center Phase 3 new construction
4	Project T AP6A precast project
5	Cheng Chueh Temple Xuanzang Religious Culture Park construction project
6	Taipei City Wanhua Huajiang Section 2 social housing construction turnkey project
7	Dharma Drum Mountain Nantiantai Ziyun Temple expansion project
8	Molie Quantum Energy Corporation Kaohsiung lithium battery plant new construction
9	MMT P3 PARKING TOWER
10	Yang Er Sixin Section - PC precast project
11	TCP2 CSA civil engineering project
12	GBC Zhubei Plant civil engineering project
13	Phison Electronics's innovation building construction project
14	MS TPE03 new construction project
15	AP6B-L20-LRF precast project
16	Yang Yi Sixin Section - PC precast project
17	The new construction project of onshore substation CHW2204 of the Greater Changhua Offshore Wind Power Project
18	RDE new turnkey project
19	ATP Electronics's plant construction (in Taiwan Ciaotou Science Park) project
20	Sanchong Jie 6 main project

Item	Project
21	Ruentex Development Lihe Section new construction
22	Ruentex Development Wolong Street project
23	Ruentex Development Yangbei new construction
24	Ruentex Development Wuguwang B new construction
25	Ruentex Development Wuguwang A new construction
26	Ruentex Construction Qingtian Street project
27	Ruentex Innovative Development new construction of Yucheng Section
28	Ruentex Development Nanhai Section demolition project
29	Taipei Veterans General Hospital's precast dormitory project
30	TransGlobe Life Insurance's headquarters building project

(III) Newly Contracted Construction Sites:

Item	Project
1	F22P1 FAB shell package precast project
2	F20P1 FAB shell package-A1B1 precast project
3	F20P1 FAB shell package-A2B2 precast project
4	F18P8O office building precast project
5	Lite-On Kaohsiung Manufacturing Center Phase II project
6	New construction of Fubon Insurance Building
7	Puxin Anju Social Housing Turnkey Project in Yangmei District, Taoyuan City
8	Ruentex Development Nangang Star project new construction project

Two. Company Profile

I. Date of Establishment: November 3, 1975

Tax ID Number: 66394146

II. Corporate History:

Year	Company History
1975	<ul style="list-style-type: none"> • Ping Huei Construction Ltd. was founded with capital of NT\$3 million.
1981	<ul style="list-style-type: none"> • Cash capitalization of NT\$6 million increased the paid-in capital to NT\$9 million.
1995	<ul style="list-style-type: none"> • Cash capitalization of NT\$17 million increased the paid-in capital to NT\$26 million.
1996	<ul style="list-style-type: none"> • Cash capitalization of NT\$172 million increased the paid-in capital to NT\$198 million. • Ping Huei Construction Ltd. was renamed as Ping Huei Construction Inc.
1998	<ul style="list-style-type: none"> • Certified with ISO9002.
2001	<ul style="list-style-type: none"> • Certified with ISO9002 year 2000 version. • Contracted for the "Dharma Drum Mountain Construction Project". • Contracted for the "most favorable" turnkey "Taipei Veterans General Hospital Parking Lot Project". • Completed the "eDC New Construction Project" for Acer, the largest computer information management center in Asia. • Cash capitalization of NT\$100 million increased the paid-in capital to NT\$298 million.
2002	<ul style="list-style-type: none"> • Cash capitalization of NT\$102 million increased the paid-in capital to NT\$400 million. • Contracted for the "Genome and Protein Research Building" project of Academia Sinica, which was the first national-level biochemical research center in Taiwan.
2003	<ul style="list-style-type: none"> • Contracted for the "Foxsemicon Zhunan Plant Phase I New Construction Project" by Foxsemicon Integrated Technology Inc., setting a new record of "100-day plant construction" in Taiwan. • Contracted by 3M TAIWAN LIMITED with its "Phase 1 Plant Construction Project" located in Tainan Science Park. The Company helped the owner get a head start on the market by starting production and operation as soon as possible and loading the shipments on time.
2004	<ul style="list-style-type: none"> • Contracted to build a new turnkey project for the reconstruction of Taipei County's Sichipa Village by the Ministry of National Defense Military Dependents' Village. Awarded the 5th Public Construction Golden Quality Award by the Public Construction Commission of the Executive Yuan. • Contracted for the "Kaohsiung Plant Construction Project" by HannStar Display Corporation.

Year	Company History
	<ul style="list-style-type: none"> • Contracted for the "Nano Lab Project" by National Chiao Tung University; pioneered the application of precast lattice engineering technology in high-tech factories. • Contracted for the "Tone Young Ke La Mei Di Residence New Construction Project" by Tone Young Construction Co., Ltd.
2005	<ul style="list-style-type: none"> • Contracted for the "Taipei City Land Administration and Disaster Response Center Joint Office Building Construction Turnkey Project" by the New Constructions Office, Public Works Department, Taipei City Government. • Contracted for National Taiwan University's "Xinsheng South Road Underground Parking Lot Project"; awarded the 6th Public Construction Golden Quality Award by the Public Construction Commission of the Executive Yuan. • Contracted for Acer's "Neihu Building (A) New Construction Project". • Contracted for Acer's "Neihu Building (B) New Construction Project". • Contracted by Chinteh Co., Ltd. for the project of "Precast Composite Structure Above the Basement Column and First Floor of Chin-Yi Shopping Center". • Awarded the Five Star Award by the Executive Yuan for excellent health and safety management. • Contracted by FOOD STORAGE CO., LTD. for the "FOOD STORAGE CO., LTD. New Construction Project of a Factory Freezer". • Contracted by Yunlai Temple for the "Yunlai Temple New Construction Project". • Contracted by ROHM AND HAAS ELECTRONIC MATERIALS ASIA-PACIFIC CO., LTD. for the "Rohm and Haas Asia-Pacific Plant New Construction Project".
2006	<ul style="list-style-type: none"> • Cash capitalization of NT\$200 million increased the paid-in capital to NT\$600 million. • Ping Huei Construction Inc. merged Ruentex Engineering & Construction Co., Ltd. and Ruen-An Mechanical & Electrical Engineering, Co., Ltd., with Ping Huei Construction Inc. as the surviving company. After the merger, the paid-in capital was increased to NT\$1.01851 billion. • Contracted by HTC Corporation for the "HTC Corporation Plant and Office Expansion Project". • Contracted by ROHM AND HAAS ELECTRONIC MATERIALS ASIA-PACIFIC CO., LTD. for the "Rohm and Haas Asia-Pacific Plant New Construction Project (Phase 2 Additional Construction)". • Capital reduction of NT\$200 million amounted the paid-in capital to NT\$818.51 million. • Contracted for the "Taipei Stadium Turnkey Project" by the New Constructions Office, Public Works Department Taipei City Government. • Awarded the 7th Public Construction Golden Quality Award by the Public Construction Commission of the Executive Yuan for the third time for the "Taipei City Land Administration and Disaster Response Center Joint Office Building Construction Turnkey Project".

Year	Company History
	<ul style="list-style-type: none"> • Contracted for the "TV Plant 6 Precast Project" by Chi Mei Optoelectronics Corporation. • Contracted by CREST CONSTRUCTION CO., LTD. for the "New Construction of a 14-story Building on Zhongzheng Road, Hefeng Section, Xinzhuang". • Cash capitalization of NT\$381.49 million increased the paid-in capital to NT\$1.2 billion. The shareholders approved the change of the Company name to "Ruentex Engineering & Construction Co., Ltd.". • Contracted by DARMAW CONSTRUCTION CO., LTD. for the "Costco Taichung New Construction Precast Structure Project".
2007	<ul style="list-style-type: none"> • Contracted by Lan Hai Construction Co., Ltd. for the "Lan Hai Residential Building New Construction Project". • Contracted by Phison Electronics Corporation JHUNAN BRANCH for the "Phison Electronics Zhunan Plant New Construction Project". • Contracted by the National Taiwan University of Science and Technology for the "Teaching and Research Building New Construction Turnkey Project". • Awarded the first "National Industrial Safety Award" of the Republic of China. • Contracted by SHIMIZU CORPORATION TAIWAN BRANCH (JAPAN) for the "Taiwan Da Ri Yin Mask Technology Co., Ltd. Hsinchu Plant New Construction PC Project". • The Financial Supervisory Commission of Executive Yuan, approved the public offering of the Company's shares. • Contracted by Innolux Corporation for the "Innolux T2 Project (T2 FAB, EX-FAB, WH, SB grading, excavation, and construction project) New Construction". • The Taipei Exchange approved the registration of the Company's shares as emerging stock.
2008	<ul style="list-style-type: none"> • Awarded the 18th "National Quality Award" of the Republic of China. • Contracted by RT-MART International Co., Ltd. for the "RT-MART Chiayi New Construction Project". • Contracted by Ta Tsun Kuei Construction Co., Ltd. for the "New Construction of the Buddha Statue Base and Cultural and Recreational Center of Maitreya Institute - Installation of Water, Electricity, and Fire Fighting System". • Contracted by TAIWAN POLYSILICON CORPORATION for the "V1500 Zone FINISH BUILDING and CVD BUILDING Structure Construction Project". • Contracted by CHUWANG DEVELOPMENT CO., LTD. for the "Jaysanlyn Tien Building Water and Electricity Construction Project". • The "Taipei Stadium Turnkey Project" won the 9th Golden Quality Award for Public Constructions, and was awarded with double excellence for construction and design. • Contracted by the "Taipei City Professor Wang, Guang-Zhao Academics and Education Foundation" for the projects of the "National Taiwan University Pharmaceutical Technology Building" and "National Taiwan University Zhubei Branch Industry-Academic Cooperation Research Building".

Year	Company History
2009	<ul style="list-style-type: none"> • Contracted for the "New Construction Project of the Wan Xi Residential Building" in Wanhua District, Taipei City. • Invested in RUENTEX CEMENT CO., LTD., holding 81.43% of the shares. • Obtained ISO 9001 International Quality Assurance Certification of the 2008 new standard. • Certified with TOSHMS and OHSAS 18001. • Contracted by Yilan County Center for the "Yilan County Center Military Dependents' Village New Construction Turnkey Project". • Contracted by JAYSHELYN CONSTRUCTION CO., LTD. for the "Jayshelyn Tamsui Suilifang New Construction Project". • Contracted by Yun San Motors Co., Ltd. for the "Yun San Motors New Construction Project of the Neihu District Wende Section". • Contracted by the Taipei County Public Works Department for the "Construction Project of a Joint Office Building and Underground Public Parking Lot by the Zhonghe Land Office and the Revenue Service Zhonghe Branch Office". • Financial Supervisory Commission, Executive Yuan, approved the Company's stock listing.
2010	<ul style="list-style-type: none"> • The Company's shareholding ratio of Ruentex Cement Co., Ltd. became 81.33% after Ruentex Cement's cash capital increase. • Cash capitalization of NT\$150 million increased the paid-in capital to NT\$1.35 billion. • Taiwan Stock Exchange approved the listing of Company's shares for trading. • Contracted by LIFE ACADEMY EDUCATION FOUNDATION for a new construction project. • Contracted by Jaysanlyn Construction Co., Ltd. for the "New Construction Project of Jaysanlyn Castle Above the City". • The new construction project of New Taipei City's "Anbang New Village" taken on by the Company was awarded the highest Golden Award honor by the Executive Yuan in the 10th Public Works Construction Category.
2011	<ul style="list-style-type: none"> • Contracted by Phison Electronics Corporation for the "New Construction of Phison Electronics Zhunan Phase 2 Factory Building". • Contracted by Tera Xtal Technology Corporation for the "Tera Xtal Hukou Factory Building New Construction Project". • Contracted by Powertec Energy Corp. for the "Powertec Energy Changbin Civil Engineering Project". • Contracted by CREST CONSTRUCTION CO., LTD. for the "Crest Construction Sanchongpu Section New Construction Project". • Invested in Ruen Yang Construction Co., Ltd., holding 100.00% of the shares. • The "Yilan County Center Military Dependents' Village New Construction Turnkey Project" taken on by the Company was awarded the Gold Quality Award in the 11th Public Construction Category by the Executive Yuan and the Gold Quality Award in the Best

Year	Company History
	<p>Construction Quality Category by the 2011 National Construction Excellence Awards.</p> <ul style="list-style-type: none"> • The New Taipei City "Construction Project of a Joint Office Building and Underground Public Parking Lot by the Zhonghe Land Office and the Revenue Service Zhonghe Branch Office" taken on by the Company was awarded the 11th Golden Quality Award in the Public Constructions category by the Executive Yuan.
2012	<ul style="list-style-type: none"> • Contracted by WU YI CONSTRUCTION CO., LTD. for the "Yuanlih Construction Jinshan South Road Residential Complex Precast Exterior Wall PC Project". • Contracted by Super Dragon Technology Co., Ltd. for the "Super Dragon Technology Headquarters and Taoyuan Plant No. 3 New Construction Project". • Contracted by Ruentex Development Co., Ltd. for the "Taipei Metropolitan Mass Rapid Transit System Neihu Line Neihu Station Crossing 11 Base Development Project". • Contracted for the "Academia Sinica Scholar Dormitory Phase II Project". • Contracted by Ruentex Xu-Zhan Development Co., Ltd. for the assumptions, exterior, and structure construction for the "Construction and Operation Contract of the Taiwan Railway Nangang Station Building". • Contracted by Ruentex Development Co., Ltd. for the "Zhongzheng District Nanhai Section Botanic Garden Congregate Housing Project". • Contracted by an international company for the "New construction of Zhuke Plant N". • Contracted by Ruentex Development Co., Ltd. for the "Ruentex Wa Garden Congregate Housing Project". • Contracted by Ruentex Bai-Yi Co., Ltd. for the "Songshan Station Complex and Parking Building Project". • Sold "Building Materials Business Unit" to RUENTEX CEMENT CO LTD. • Contracted by Cathay Life Insurance Co., Ltd. for the "New Construction of the Taichung Xiangshang Shopping Center Building". • Contracted by DFI HOME FURNISHINGS TAIWAN LIMITED for the "Auxiliary Equipment Installation for the New Construction of the Taichung Xiangshang Shopping Center Building Project". • Contracted by FU TSU CONSTRUCTION CO., LTD. for the "TSMC Fab14P6 Precast Project".
2013	<ul style="list-style-type: none"> • Contracted by HSIN CHUAN CONSTRUCTION CO., LTD. for the "E-Da Cancer Hospital - Exterior Wall Precast Concrete PC Fabrication Project". • Contracted by the Department of Urban Development, Taipei City Government, for the "Ankang Community D Base Public Housing New Construction Turnkey Project". • Contracted by Amaran Biotechnology Inc. for the "Amaran Biotechnology Zhubei Biochemical Plant New Construction Project". • Contracted by Pao Huei Construction Co., Ltd. for the "Pao Huei Maple Garden Residency Precast PC Project". • Contracted by Company P for the "Industrial Zone Phase II PC Project".

Year	Company History
	<ul style="list-style-type: none"> • Contracted by FOOD STORAGE CO., LTD. for the "Taichung Plant New Construction Project". • Contracted by Ruentex Development Co., Ltd. for the "Ruentex Mingfeng New Construction Project". • Contracted by DA-CIN CONSTRUCTION CO., LTD. for the "TSMC Nanke Plant 14 Phase 7 Precast Exterior PC Board Project". • Contracted by an international company T for the "New Plant Construction".
2014	<ul style="list-style-type: none"> • Invested in Runzhu Architecture and Engineering (Shanghai) Co., Ltd., with 100.00% shareholding. • Contracted by Advanced Lithium Electrochemistry Co., Ltd. for the "Ba De R&D Center Renovation Project". • Contracted by Ruentex Development Co., Ltd. for the "Ruentex Xinzhuang Fuduxin New Construction Project". • In order to consolidate resources, expand the scale of business, and enhance competitiveness, Ruentex Material Co., Ltd. (formerly known as RUENTEX CEMENT CO., LTD.), the Company's subsidiary, increased its capital by NT\$180,000 thousand and acquired Ruentex Interior Design Inc. as a 100% subsidiary. • Contracted by Ruentex Development Co., Ltd. for the "Sanchong Jie 6 New Construction Project". • Contracted by China Ecotek Corporation for the "Civil and Electrical Works for the Construction of Medigen Zhubei Plant". • The Company's shareholding ratio of Ruentex Material Co., Ltd. became 44.53% after Ruentex Materials' cash capital increase of 42,680 thousand shares. • Contracted for the "New Construction of the Shengtian Construction Tucheng Project" by Shengtian Construction Co. • Public offering of shares of Ruentex Material Co., Ltd., the Company's subsidiary. • Contracted by RSEA Engineering Corporation Privatized for the "Academia Sinica - National Biotechnology Research Park Construction Project (turnkey) - Precast Structure Sub-project". • Shares of Ruentex Material Co., Ltd., the Company's subsidiary, were listed on the Emerging Stock Market. • Contracted by Company P for the "Industrial Zone Phase III Plant Precast External Wall PC Project".
2015	<ul style="list-style-type: none"> • Contracted by TransGlobe Life Insurance Inc. for the "Yilan County Jiaoxi Township No. 2 and No. 3 Base Hotel New Construction Contract". • Contracted by Ruentex Development Co., Ltd. for the "Ruentex Twin Sta New Construction Project". • Contracted by an international company for the "New Construction of Zhuke Plant N Phase II". • The Company's shareholding ratio of Ruentex Material Co., Ltd. became 39.15% after Ruentex Materials' cash capital increase of 15,884 thousand shares. • Ruentex Material Co., Ltd. (Stock Code: 8463), the Company's subsidiary, was listed on the Taiwan Stock Exchange.

Year	Company History
	<ul style="list-style-type: none"> • Contracted by MING LI DEVELOPMENT CO., LTD. for the "85 Building Renovation Project". • Contracted by DA-CIN CONSTRUCTION CO., LTD. for the "TSMC F15P5A Precast Project". • Contracted by FU TSU CONSTRUCTION CO., LTD. for the "TSMC F15P5B Precast Project". • Contracted by JANG DAH FIBER INDUSTRIAL CO., LTD. for the "Jang Dah Fiber Taipei City Beitou District Xinmin Section New Construction Project". • Contracted by Ruentex Development Co., Ltd. for the "Ruentex Beitou Qiyang New Construction Project". • Contracted by an international company T for its phase II new plant construction. • Contracted by Ruentex Development Co., Ltd. for the "Ruentex Heping East Road Missionary Sisters New Construction Project". • The "Ankang Community D Base Public Housing New Construction Turnkey Project" of Taipei City was awarded the 15th Public Construction Golden Quality Award by the Executive Yuan.
2016	<ul style="list-style-type: none"> • Contracted by Phison Electronics Corporation for the "New Construction of Phison Electronics Zhunan Phase 3 Factory Building". • Contracted by CH Biotech R&D Co., LTD. for the "New Construction of the Research and Development Center of CH Biotech Advanced Research Park". • Contracted by DA-CIN CONSTRUCTION CO., LTD. for the "TSMC F15P6 A2&B2 Precast Project". • Contracted by FU TSU CONSTRUCTION CO., LTD. for the "TSMC F15P6 A1&B1 Precast Project". • Contracted by MY HUMBLE HOUSE HOSPITALITY MANAGEMENT CONSULTING CO., LTD. JIAOXI BRANCH for the "Yilan County Jiaoxi Township Park Section 60, 61, 66, 68, Hotel Landscape Project". • Contracted by WEN SHAN RESORT CORPORATION for the "Wen Shan Hotspring Hotel New Construction Project". • Contracted by Ruentex Development Co., Ltd. for the "The Silk Court Geotechnical and Viscous Wall Damper Project".
2017	<ul style="list-style-type: none"> • Contracted by Yunlai Temple for the "Dharma Drum Mountain Yunlai Garden New Construction Project". • Contracted by Ruentex Development Co., Ltd. for "The Silk Court New Construction Project". • Contracted by TaiMed Biologics for the "TaiMed Biologics Zhubei Biomedical Campus New Plant Construction". • Contracted for the "Taichung Stella Matutina Girls' High School Zhi Zhen Building New Construction Project". • Contracted by Huei Hong Investment for the "National Chengchi University Library Precast Project". • Contracted by the New Taipei City Government for the "Sanxia Guoguang Section Youth Social Housing New Construction Turnkey Project".

Year	Company History
	<ul style="list-style-type: none"> • Contracted by YA LI PRECAST PRESTRESSED CONCRETE INDUSTRIES CORP. for the "Shangzhi Datong Chuang Yuan Phase I Precast Facade PC Project". • Contracted by FU TSU CONSTRUCTION CO., LTD. for the "TSMC F18P1 FAB Precast Project".
2018	<ul style="list-style-type: none"> • Contracted by Ruentex Innovative Development Co., Ltd. for the "Ruentex Innovative Development Jiangcui D New Construction Project". • Contracted by DA-CIN CONSTRUCTION CO., LTD. for the "TSMC 15P7 Precast Project". • Contracted by FU-HSUAN CONSTRUCTION AND ENGINEERING CO., LTD. for the "Jinshan South Road Phase 2-1 PC Precast Project". • Contracted by FU TSU CONSTRUCTION CO., LTD. for the "TSMC 18P2 FAB Precast Project". • Contracted by Ruentex Development Co., Ltd. for "Ruentex Huacheng Renovation Project". • Contracted by DEHWA CONSTRUCTION CO., LTD. for the "Fubon Life Insurance Linsen South Road Hotel Precast Project". • Contracted by the Taoyuan Office of Housing Development for the "New Public Housing Turnkey Project in Zhongli District, Taoyuan City (Dongliao Section, Lot 325-4)". • Contracted by TransGlobe Life Insurance Inc. for the "TransGlobe Life New Construction of the First Subsection of the Chenggong Section in Taipei City". • Contracted by an international company for the "New Construction of Shopping Malls on Land 434 and 435 in Zhongli District, Taoyuan City". • Contracted by an international company for the "New Construction of Longyuan 5th Road Plant". • Contracted by SONG CHUAN PRECISION CO., LTD. for the "Song Chuan Precision Chiayi Plant New Construction Project". • Contracted by the National Taipei University of Nursing and Health Sciences for the "New Construction of a Teaching and Research Complex and Third Student Dormitory".
2019	<ul style="list-style-type: none"> • Contracted by Ruentex Material Co., Ltd. for the "Ruentex Material Pingtung Ligang Plant New Construction Project". • Contracted by Ruentex Development Co., Ltd. for the "Ruentex Development Banqiao Minsheng Road New Construction Project". • Contracted by an international company for the "M Project Houli Plant Precast Project". • Contracted by Ruentex Development Co., Ltd. for the "Ruentex Development Jiangcui A New Construction Project". • Contracted by Ruentex Development Co., Ltd. for the "Ruentex Development Li He Section New Construction Project". • Contracted by Company C for the "Changhua County New Plant Construction Project". • Contracted by an international company T for the "Lab Expansion of the Second Floor of TongLuo Plant Second Phase and B1 New Pure Water Plant Flooring Project".

Year	Company History
	<ul style="list-style-type: none"> • Contracted by Ruentex Construction & Engineering Co., Ltd. for the "Taipei Veterans General Hospital Heavy Ion Therapy Center Precast PC Project". • Contracted by Ruentex Development Co., Ltd. for "Ruentex Development Wolong Street Demolition Project". • Contracted by TAIWAN HITACHI ASIA PACIFIC CO., LTD. for the "Pre-embedded Iron Works". • Contracted by Company P for the "CHG5 Precast PC Project". • Contracted by CONI INTERNATIONAL GROUP CONI BEAUTY INTERNATIONAL CO., LTD. for the "CONI INTERNATIONAL GROUP CONI BEAUTY INTERNATIONAL CO., LTD. New Construction of the Chiayi Plant". • The Youth Housing Site in GuoGuang Section of Sanxia was awarded the Gold Quality Award by the Public Construction Commission of the Executive Yuan. • The Hope Square Project won the first prize in the "Planning and Design" category of the 21st National Construction Golden Quality Award. • The Global Jiaoxi Hotel Project won the first prize in the "Construction Quality" category of the 21st National Construction Golden Quality Award.
2020	<ul style="list-style-type: none"> • Contracted by Amaran Biotechnology Inc. for the "Amaran Biotechnology Zhubei Biochemical Plant Additional Construction Project". • Phison Electronics Corporation's "New Construction of Phison Electronics Zhunan Phase 5 Factory Building". • Contracted by Yun San Motors Co., Ltd. for the "Yun San Motors New Construction Project of Taichung Xitun District Longfu Section". • Contracted by Ruentex Development Co., Ltd. for the "Ruentex Development Wolong Street New Construction Project". • Contracted by Ruentex Development Co., Ltd. for the "Ruentex Development Wuguwang B New Construction Project". • Contracted by Ruentex Development Co., Ltd. for the "Ruentex Development Wuguwang A New Construction Project". • Contracted by Ruentex Development Co., Ltd. for the "Ruentex Development Yangbei New Construction Project". • Contracted by Ruentex Development Co., Ltd. Zhonglun Branch for the "RT-MART Zhonglun Store Renovation Project". • Contracted by DA-CIN CONSTRUCTION CO., LTD. for the "TSMC F18P4-A1&B1 Precast Project". • Contracted by FU TSU CONSTRUCTION CO., LTD. for the "TSMC F18P4-A2&B2 Precast Project". • Contracted for the "New Construction of T Project Nanke Assembly and Test Plant C". • Contracted by FU-HSUAN CONSTRUCTION AND ENGINEERING CO., LTD. for the "Guangfu South Road PC Precast Project". • Contracted by FU TSU CONSTRUCTION CO., LTD. for the "TSMC F12P8-A1&B1 Precast Project".

Year	Company History
	<ul style="list-style-type: none"> • Contracted by DA-CIN CONSTRUCTION CO., LTD. for the "TSMC F12P8-A2&B2 Precast Project". • Contracted by FU TSU CONSTRUCTION CO., LTD. for the "TSMC F18P5 Precast Project". • Contracted by Ruentex Construction Co., Ltd. for the "Ruentex Construction Qingtian Street New Construction Project". • Contracted by Ruentex Innovative Development Co., Ltd. for the "Ruentex Innovative Development Yucheng Section New Construction Project". • Contracted for the "T Project F18P6 Precast Project". • The Zhongli Public Housing Project was awarded the "2020 National Construction Excellence Award in the Category of Best Social Housing Design". • The New Construction Project T of Nanke Plant C was awarded the "2020 Tainan City Air Quality Maintenance and Low Carbon Energy Saving Unit _ Environmentally Friendly Excellent Construction Site".
2021	<ul style="list-style-type: none"> • Contracted by YEONG GUAN HOLDINGS CO., LIMITED TAIWAN BRANCH (B.V. I.) for the "New Construction of the Yungkuan Taichung Port Plant". • Contracted by Phison Electronics Corporation for the "New Construction of the Phison Electronics Plant and Ancillary Loading/Unloading Parking Space". • Contracted for the "Spiritist Center Phase 3 New Construction" by the Sisters of the Sacred Heart of Mary. • Contracted by FU TSU CONSTRUCTION CO., LTD. for the "TSMC AP6A Precast Project". • Contracted by the National Housing and Urban Regeneration Center for the "Taipei City Wanhua Huajiang Section 2 Social Housing New Construction Turnkey Project". • Contracted by FU TSU CONSTRUCTION CO., LTD. for the "TSMC F18P7 Precast Project". • Contracted by Nantiantai Ziyun Temple for the "Dharma Drum Mountain Nantiantai Ziyun Temple Expansion Project". • Contracted by Cheng Chueh Temple Preparatory Office and True Enlightenment Education Foundation for the "Cheng Chueh Temple Xuanzang Religious Culture Park Construction Project". • Contracted by TASA Construction Corporation for the "TSMC Nanke Plant 18 Phase V CUP New Construction - BSGS Precast Project". • Contracted by TASA Construction Corporation for the "TSMC Nanke Plant 14 Phase VIII New Construction Precast Project". • Contracted by DA-CIN CONSTRUCTION CO., LTD. for the "TSMC Nanke Plant 18P8 New Construction Precast Project". • Contracted by Molie Quantum Energy Corporation for the "Molie Quantum Energy Kaohsiung Lithium Battery Plant New Construction Project". • Contracted by an international company for the "MMT P3 PARKING TOWER Project".

Year	Company History
	<ul style="list-style-type: none"> • Contracted by TASA Construction Corporation for the "TSMC Nanke Plant 18 Phase VI CUP New Construction - BSGS Precast Project". • Contracted by FU-HSUAN CONSTRUCTION AND ENGINEERING CO., LTD. for the "Yang Er Sixin Section Land No. 25 - PC Precast Project". • Contracted by GBC Corp. for the "GBC Zhubei Plant New Construction Project". • The New Public Housing Turnkey Project in Zhongli District, Taoyuan City was awarded "The 15th Golden Safety Award for Excellent Construction (Public Construction - Excellence)". • The CONI INTERNATIONAL GROUP CONI BEAUTY INTERNATIONAL CO., LTD. Chiayi Plant New Construction Project was awarded "The 15th Golden Safety Award for Excellent Construction (Civil Works - Honorable Mention)". • The National Taipei University of Nursing and Health Sciences New Construction of the Teaching and Research Complex and Third Student Dormitory was awarded the "2021 Public Construction Golden Quality Award". • Approved for capitalization of retained earnings to issue 49,950,000 shares of common stock, raising the paid-in capital to NT\$1,849,500,000.
2022	<ul style="list-style-type: none"> • Contracted by an international company for the "TCP2 CSA civil engineering project". • Contracted by Phison Electronics Corp. for the "Phison Electronics's phase 3 restaurant, plant use license change, and interior design project". • Contracted by Phison Electronics Corporation for the "Phison Electronics's innovation building construction project". • Contracted by an international company for the "MS TPE03 preliminary construction project". • Contracted by Ruentex Development Co., Ltd. for the "Ruentex Development's Nan Hai Section Street Demolition Project". • Contracted by Ruentex Xing Co., Ltd. for the "Taipei Veterans General Hospital's precast dormitory project". • Contracted by Kedge Construction Co., Ltd. for the "TSMC Zhunan AP6B-FAB precast Project". • Contracted by FU-HSUAN CONSTRUCTION AND ENGINEERING CO., LTD. for the "Yang Yi Sixin Section - PC precast project". • Contracted by Star Energy Corporation for the "CHW2204 new construction project". • Contracted by the public sector for the "RDE new turnkey project". • Contracted by an international company for the "Phase I CR project". • Contracted by ATP Electronics Taiwan Inc. for the "ATP Electronics's plant construction (in Taiwan Ciaotou Science Park) project". • Contracted by TransGlobe Life Insurance for the "TransGlobe Life Insurance's headquarters building project". • Contracted by FU TSU CONSTRUCTION CO., LTD. for the "TSMC F22P1 FAB Precast Project".

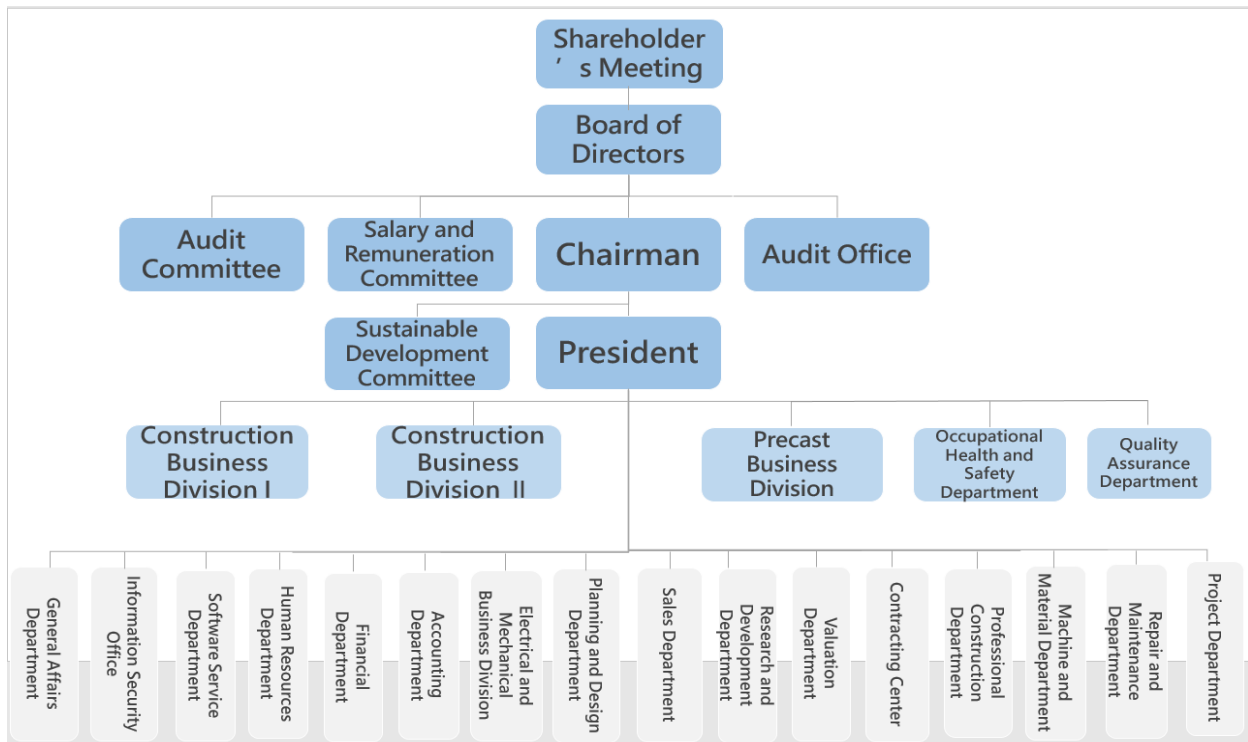
Year	Company History
	<ul style="list-style-type: none"> • Contracted by FU TSU CONSTRUCTION CO., LTD. for the “TSMC F20P1 A1B1 Precast Project”. • Contracted by DA-CIN CONSTRUCTION CO., LTD. for the “TSMC F20P1 A2B2 Precast Project”. • Ruentex Dingfeng won the “16th Civil Engineering Golden Safety Award in 2022”. • The New Public Housing Turnkey Project at No.1 Base in Zhongli District won Taoyuan City Government’s “2022 Excellent Occupational Health and Safety Unit”. • The New Public Housing Turnkey Project at No.1 Base in Zhongli District won “Taoyuan City Government’s 2022 Public Construction Gold Award - High Distinction Award (Construction Engineering Level 1)” • The New Public Housing Turnkey Project at No.1 Base in Zhongli District won the “Gold Award for the Best Planning and Design at the 2022 Taiwan Real Estate Excellence Awards”. • The New Public Housing Turnkey Project at No.1 Base in Zhongli District was awarded the highest honor of “Five-Star Award for Promoting Occupational Safety and Health in 2022” by Taoyuan City Government and Ministry of Labor.
2023	<ul style="list-style-type: none"> • Contracted by TASA Construction Corporation for the "Project T Nanke Plant 18 Phase XVIII New Office Building Construction Project". • Contracted the manufacturing and assembly of UHPC energy storage cabinet from Company N. • Contracted the "Lite-On Kaohsiung Manufacturing Center Phase II project" from Lite-On Technology Corp. • Contracted the "New construction project of Fubon Property Insurance Building - steel reinforced concrete (PCS)" by DA-CIN CONSTRUCTION CO., LTD. • Contracted the National Housing and Urban Regeneration Center "Primary contract for new construction of social housing in Puxin, Yangmei District, Taoyuan City." • Contracted the "Project T, F20P1BSGS precast construction" from TASA Construction Corporation • Jointly contracted with the National Taiwan University with Ruentex Construction & Engineering Co., Ltd. the "Construction Project of Electricity and Air Conditioning of the Microscope Laboratory, College of Engineering, National Taiwan University". • Contracted by FU TSU CONSTRUCTION CO., LTD. for the “Project T F20P2 A1B1 Precast Project”. • Contracted by DA-CIN CONSTRUCTION CO., LTD. for the “Project T F20P2 A2B2 Precast Project”. • Contract contracted with Ruentex Innovative Development for " Ruentex Development Nangang Star project new construction project". • Project M TCP2 new construction won the "17th Golden Award for Excellent Occupational Safety and Health Engineering". • The new construction of Lite-On Phase II won the "2023 Kaohsiung City Excellent Construction Site Evaluation Award".

Year	Company History
<p>March 2024</p>	<ul style="list-style-type: none"> •Contract contracted with Ruentex Innovative Development for "Ruentex Innovation Development Yucheng Building Electricity and Air Conditioning Project." • Contracted by DA-CIN CONSTRUCTION CO., LTD. for the “Project T F20P2 Driveway Carriage Panel Precast Additional Project”.

Three. Governance

I. Organization Structure

(I) Organization Framework



(II) Department Functions and Duties

Department/Division	Scope of Business and Responsibilities
Precast Business Division	<ol style="list-style-type: none"> 1. Concrete production, steel processing, and component production at the Yangmei Plant. 2. Precast component design, interface review and mold making, component storage and transportation installation. 3. Precast construction quality assurance and safety management. 4. Maintenance and management of precast plant machinery and equipment. 5. TAF laboratory certification system maintenance. 6. Supervision of precast structure-based projects, in line with the precast project management in general construction work.
Construction Business Division (I and II)	<ol style="list-style-type: none"> 1. Supervise the site management, construction, quality assurance, health and safety, progress, and cost control of each project. 2. Integration of various interfaces during construction and work-in-progress planning and execution. 3. Complete tasks within the quality/schedule/budget to meet the owners' requirements. 4. Maintenance matters during the warranty phase after completion of a project.
Electrical and Mechanical	<ol style="list-style-type: none"> 1. Planning and design of water, electricity, fire protection, and air conditioning systems for construction projects.

Department/Division	Scope of Business and Responsibilities
Business Division	<ol style="list-style-type: none"> 2. Integrated construction of electrical and mechanical systems. 3. Life cycle maintenance and repair of electrical and mechanical systems.
Audit Office	<ol style="list-style-type: none"> 1. Correction and prevention in various administrative operations. 2. Planning and execution of auditing works.
Quality Assurance Department	<ol style="list-style-type: none"> 1. Establish engineering quality system and standards. 2. Guidance and assessment of project site quality operations.
Occupational Health and Safety Department	<ol style="list-style-type: none"> 1. Develop, plan, supervise, and promote health and safety management work, and provide guidance to relevant departments for implementation. 2. Establish engineering health and safety system and standards. 3. Guidance and assessment of occupational health and safety work at project sites.
Project Department	<ol style="list-style-type: none"> 1. Initial design integration and value engineering review of the project. 2. Administrative process planning and contract work integration. 3. Digital project management, project cost, progress, and quality control. 4. Legal work and contract management.
Repair and Maintenance Department	Handle warranty and maintenance matters at completed sites.
Machine and Material Department	Construction equipment storage, distribution, and maintenance work integration.
Professional Construction Department	Planning and construction of aluminum mold and system construction method.
Contracting Center	<ol style="list-style-type: none"> 1. Prepare contract specifications, review material specifications, and negotiate and prepare contracts. 2. Market survey and trend research.
Valuation Department	<ol style="list-style-type: none"> 1. Handle project inquiries and quotations. 2. Budgeting for projects. 3. Project cost control and settlement.
Research and Development Department	<ol style="list-style-type: none"> 1. Research and development of new methods, building materials, and new equipment. 2. Innovation and establishment of core technologies in construction.
Sales Department	<ol style="list-style-type: none"> 1. External marketing. 2. Contracting and bidding of projects. 3. Administrative works related to contracting of projects. 4. Coordination and communication during project execution.
Planning and Design Department	<ol style="list-style-type: none"> 1. Engineering design and construction drawing planning and review. 2. Project schedule integration and production. 3. Support in bidding and feasibility assessment of engineering methods.

Department/Division	Scope of Business and Responsibilities
	4. Standard construction specification development.
Accounting Department	<ol style="list-style-type: none"> 1. Budget preparation and regular review. 2. Project estimation and payment request, owner billing processing. 3. Provision of financial reports, tax returns, and business analysis information. 4. Conduct Board Meetings, shareholders' meetings, and stock affairs.
Financial Department	<ol style="list-style-type: none"> 1. Finance and capital planning and management, and banking. 2. Investment plan evaluation and execution.
Human Resources Department	<ol style="list-style-type: none"> 1. Planning and implementation of recruitment, salary, bonus, and human resource system. 2. Planning and execution of education, training, insurance, and welfare affairs.
Information Security Office	Network and information security management and maintenance.
Software Service Department	Information system planning, development, and hardware procurement, construction, and maintenance.
General Affairs Department	<ol style="list-style-type: none"> 1. General administration work related regulations and implementation. 2. The related operations of assets, materials, and equipment (purchase, storage, inventory, transfer, sale, maintenance, etc.).

II. Background Information of the Directors, the President, Vice Presidents, Assistant Vice Presidents, and Chiefs of Departments and Branches

(I) 1. Director Profiles

Data by: March 18, 2024 ; unit: shares; %

Title (Note 1)	Nationality or Registration Place	Name	Gender and Age (Note 2)	Elected (Inaugurated) Date	Term of office (year)	Date First Elected (Note 3)	Shares Held at the Time of Election		Current shareholding		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 4)	Concurrent Positions in The Company and Other Companies	Other Officers, Directors, or Supervisors of the Company Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code				Remark (Note 5)
							Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship		
	ROC	Ruentex Development Co., Ltd.		2023.05.31	3	2007.06.26	72,397,456	39.14%	72,397,456	39.14%	0	0.00%	0	0.00%	Nil	Nil	Nil	Nil	Nil	Nil	
Chairman	ROC	Representative: Lee, Chih-Hung	Male 61-70	2023.05.31	3	2007.06.26	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1. Master, Graduate School of Commerce, National Taiwan University 2. Management Engineer, Chinese Management Association 3. President, Ruentex Engineering & Construction Co., Ltd.	1. Director and President, Ruentex Development Co., Ltd. 2. Director, Ruentex Industries Ltd. 3. Director, Ruentex Material Co., Ltd. 4. Director, Ruentex Xu-Zhan Development co., Ltd.	Nil	Nil	Nil	Nil	
Director	ROC	Yingjia Investment Co., Ltd.		2023.05.31	3	106.05.26	11,558,690	6.25%	11,558,690	6.25%	0	0.00%	0	0.00%	Nil	Nil	Nil	Nil	Nil		

Title (Note 1)	Nationality or Registration Place	Name	Gender and Age (Note 2)	Elected (Inaugurated) Date	Term of office (year)	Date First Elected (Note 3)	Shares Held at the Time of Election		Current shareholding		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 4)	Concurrent Positions in The Company and Other Companies	Other Officers, Directors, or Supervisors of the Company Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 5)
							Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
	ROC	Representative: Mo, Wei-Han	Male 71~75	2023.05.31	3	August 13, 2018	10,960	0.01%	10,960	0.01%	16,440	0.01%	0	0.00%	1. Master of Management, Asian Institute of Management 2. Vice President, Continental Engineering Corporation 3. Plant Manager of RSEA Engineering	1. President of the Company 2. Chairman, Ruentex Material Co., Ltd.	Nil	Nil	Nil	Nil
	ROC	Ruen Hua Dyeing & Weaving Co., Ltd.		2023.05.31	3	106.05.26	3,540,080	1.91%	3,540,080	1.91%	0	0.00%	0	0.00%	Nil	Nil	Nil	Nil	Nil	Nil
Director	ROC	Representative: Yin, Chung-Yao	Male 31~40	2023.05.31	3	February 19, 2016	0	0.00%	0	0.00%	0	0.00%	0	0.00%	PhD, University of Oxford, UK	1. Director, Ruentex Development Co., Ltd. 2. Director, Ruentex Industries Ltd. 3. Director, Ruentex Material Co., Ltd. 4. Director, Ruen Chen Investment Holdings Ltd. 5. Chairman, Nan Shan Life	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality or Registration Place	Name	Gender and Age (Note 2)	Elected (Inaugurated) Date	Term of office (year)	Date First Elected (Note 3)	Shares Held at the Time of Election		Current shareholding		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 4)	Concurrent Positions in The Company and Other Companies	Other Officers, Directors, or Supervisors of the Company Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 5)
							Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
																Insurance Co., Ltd. 6. Director, The Tang Prize Foundation				
Director	ROC	Ruentex Development Co., Ltd.		2023.05.31	3	2007.06.26	72,397,456	39.14%	72,397,456	39.14%	0	0.00%	0	0.00%	Nil	Nil	Nil	Nil	Nil	Nil
	ROC	Representative: Chang, Kun-Long	Male 71-75	2023.05.31	3	August 1, 2021	219,200	0.12%	209,200	0.11%	0	0.00%	0	0.00%	Kainan High School Mechanical Engineering Major	Vice President of the Company	Nil	Nil	Nil	Nil
Director	ROC	Huei Hong Investment Co., Ltd.		2023.05.31	3	2007.06.26	493,200	0.27%	493,200	0.27%	0	0.00%	0	0.00%	Nil	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality or Registration Place	Name	Gender and Age (Note 2)	Elected (Inaugurated) Date	Term of office (year)	Date First Elected (Note 3)	Shares Held at the Time of Election		Current shareholding		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 4)	Concurrent Positions in The Company and Other Companies	Other Officers, Directors, or Supervisors of the Company Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 5)
							Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
	ROC	Representative: Chen, Chih-Chuan	Male 61~70	2023.05.31	3	2007.06.26	298,660	0.16%	298,660	0.16%	0	0.00%	0	0.00%	1. Master, Graduate School of Commerce, National Taiwan University 2. Deputy Director, Yuen Foong Paper Co., Ltd. 3. Vice President of Finance Department, Ruentex Development Co., Ltd. 4. Vice President of Finance Department, Kwang Hua Securities	1. Director, TaiMed Biologics, Inc. 2. Director, Nan Shan Life Insurance Co., Ltd. 3. Supervisor, Ruen Chen Investment Holdings Ltd.	Nil	Nil	Nil	Nil
Director	ROC	Ruentex Development Co., Ltd.		2023.05.31	3	2007.06.26	72,397,456	39.14%	72,397,456	39.14%	0	0.00%	0	0.00%	Nil	Nil	Nil	Nil	Nil	Nil
	ROC	Representative: Lin, Chin-Szu	Male 51~60	2023.05.31	3	2014.05.08	0	0.00%	0	0.00%	0	0.00%	0	0.00%	MA, Department of Finance, National Taiwan University	1. Vice President, Ruentex Development Co., Ltd. 2. Supervisor, Ruentex Property Management &	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality or Registration Place	Name	Gender and Age (Note 2)	Elected (Inauguration) Date	Term of office (year)	Date First Elected (Note 3)	Shares Held at the Time of Election		Current shareholding		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 4)	Concurrent Positions in The Company and Other Companies	Other Officers, Directors, or Supervisors of the Company Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 5)
							Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
																Maintenance Co., Ltd. 3. Supervisor, Shing Yen Construction & Development Co., Ltd.				
Independent Director	ROC	Shen, Xiao-Ling	Female 71~75	2023.05.31	3	2008.06.02	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1. Michigan State University Master of Business Administration 2. Takming University of Science and Technology Principal 3. Department of Business Administration, Soochow University Dean 4. International Trade Commission, Ministry of Economic Affairs	1. Independent Director, JOINSOON ELECTRONIC S MFG. CO., LTD. 2. Independent Director, Jing-Jan Retail Business Co., Ltd.	Nil	Nil	Nil	Nil
Independent Director	ROC	Zheng, Hui-Bin	Male 51~60	2023.05.31	3	2008.06.02	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1. PhD, Construction Management, Department of Civil Engineering, University of Wisconsin-Madison, USA 2. Manager, DTA Technologies, Inc.	Professor, Operation and Management Track, Department of Civil Engineering, National Taiwan University	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality or Registration Place	Name	Gender and Age (Note 2)	Elected (Inaugurated) Date	Term of office (year)	Date First Elected (Note 3)	Shares Held at the Time of Election		Current shareholding		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 4)	Concurrent Positions in The Company and Other Companies	Other Officers, Directors, or Supervisors of the Company Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 5)
							Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
														3. Deputy Dean, Department of Civil Engineering, National Taiwan University						
Independent Director	ROC	Lin, Kuo-Feng	Male 61~70	2023.05.31	3	May 27, 2020	0	0.00%	0	0.00%	0	0.00%	0	0.00%	1. Ph.D., University of Pittsburgh, USA 2. Supervisor, Ruentex Material Co., Ltd.	1. Distinguished Professor, National Taiwan University 2. Independent Director, Kindom Construction Corp. 3. Independent Director, Kedge Construction Co. Ltd. 4. Independent Director, TaiMed Biologics, Inc.	Nil	Nil	Nil	Nil

Note 1: The names of corporate shareholders and their representatives shall be listed separately (where they are representatives of corporate shareholders, the names of their corporate shareholders shall be indicated) and indicated in table 1 below.

Note 2: Please prove the substantial age by means of age range.

Note 3: Each director's time of serving as the Company's director or supervisor shall be indicated. If there is any interruption, it shall be indicated as well.

- (1) Lee, Chih-Hung, a director of the Company elected on May 8, 2014, was dismissed on May 13, 2014.
- (2) Representative Lin, Chin-Szu, elected on May 8, 2014 by the Company's director, Ruentex Development Co., Ltd., was dismissed on December 8, 2014. Lee, Chih-Hung was assigned on December 8, 2014 to take office.
- (3) The Company's director, Huei Hong Investment Co., Ltd. and its representative, Chen, Chih-Chuan, who was elected on May 8, 2014, was dismissed together on January 29, 2015 and took office on May 26, 2017.
- (4) Representative Yen, Tien-Cheng, elected on May 8, 2014 by the Company's director, Ruentex Development Co., Ltd., was dismissed on February 19, 2016. Yin, Chung-Yao was assigned on February 19, 2016 to take office.
- (5) Representative Tung, Shih-Ning, elected on May 26, 2017 by the Company's director, Yingjia Investment Co., Ltd, was dismissed on August 13, 2018. Mo, Wei-Han was assigned on August 13, 2018 to take office.
- (6) Chairman Lai, Shih-Hsun, voted in on May 27, 2020, representative of the Company, Ruentex Development Co., Ltd., was discharged from his duties on August 1, 2021; Chang, Kun-Long was appointed as the new Director. The Board of Directors elected Director Lee, Chih-Hung to be the Chairman on August 1, 2021.
- (7) The Company increased its number of shares by 49,950,000 on the ex-date of September 6, 2021, for a total of 184,950,000 shares issued.

Note 4: The hands-on experiences linked up with the current position title. If having served with the auditing and certifying Certified Public Accountant Office during the aforementioned period, please expressly indicate the position title and the duties in charge.

Note 5: Information related to whether the Chairman and the President or person of an equivalent position (the top-level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increase of the number of independent directors or a majority of directors who are not also employees or managers concurrently).

(I)2.Major Shareholders of the Corporate Shareholder

(1) Major Shareholders of the Corporate Shareholder

Data by: March 18, 2024

Title of the Corporate Shareholder	Major Shareholders of the Corporate Shareholder	% of Shares Held
Ruentex Development Co., Ltd.	Ruentex Industries Ltd.	25.70%
	Huei Hong Investment Co., Ltd.	6.72%
	Yi Tai Investment Co., Ltd.	4.36%
	Chang Quan Investment Co., Ltd.	3.97%
	Ruen Hua Dyeing & Weaving Co., Ltd.	1.51%
	Yingjia Investment Co., Ltd.	1.22%
	The Tang Prize Foundation	0.93%
	Ruentex Xing Co. Ltd.	0.88%
	PGIA Integrated International ETF in Custody of JPMorgan Chase	0.76%
	Vanguard FTSE Emerging Markets ETF Special Account, JPMorgan Chase	0.73%
Yingjia Investment Co., Ltd.	Chang Quan Investment Co., Ltd.	75.86%
	Ruen Hua Dyeing & Weaving Co., Ltd.	24.14%
Ruen Hua Dyeing & Weaving Co., Ltd.	Ruentex Xing Co. Ltd.	19.55%
	Ren Ying Industrial Co., Ltd.	19.14%
	Chang Quan Investment Co., Ltd.	18.44%
	Huei Hong Investment Co., Ltd.	17.96%
	Samuel Yen-Liang Yin	13.70%
	Yin Wong, Yee-Fan	6.55%
	Yin Xun Ruo Education Foundation	4.40%
	Yin,Chong-En (Lena Yin)	0.26%
Huei Hong Investment Co., Ltd.	Ruen Hua Dyeing & Weaving Co., Ltd.	63.53%
	Ruentex Xing Co. Ltd.	19.93%
	Yi Tai Investment Co., Ltd.	16.54%

(2) Major Shareholders of Corporate Shareholders

Data by: March 18, 2024

Title of Corporate Shareholder	Major Shareholders of the Corporate Shareholder	% of Shares Held
Ruentex Industries Ltd.	Ruentex Development Co., Ltd.	14.28%
	Chang Quan Investment Co., Ltd.	6.18%
	Ruentex Engineering & Construction Co., Ltd.	4.55%
		4.24%

Title of Corporate Shareholder	Major Shareholders of the Corporate Shareholder	% of Shares Held
	Yi Tai Investment Co., Ltd. Huei Hong Investment Co., Ltd. Gin-Hong Investment Co., Ltd. P-shares Taiwan Dividend Plus ETF, Yuanta Sheng Cheng Investment Co., Ltd. Yingjia Investment Co., Ltd. Ruen Hua Dyeing & Weaving Co., Ltd.	4.02% 3.31% 3.21% 3.18% 3.14% 1.88%
Huei Hong Investment Co., Ltd.	Ruen Hua Dyeing & Weaving Co., Ltd. Ruentex Xing Co. Ltd. Yi Tai Investment Co., Ltd.	63.53% 19.93% 16.54%
Yi Tai Investment Co., Ltd.	Ren Ying Industrial Co., Ltd. Ruentex Xing Co. Ltd.	85.10% 14.90%
Chang Quan Investment Co., Ltd.	Huei Hong Investment Co., Ltd. Ruen Hua Dyeing & Weaving Co., Ltd. Ruentex Xing Co. Ltd.	48.00% 33.00% 19.00%
Ruen Hua Dyeing & Weaving Co., Ltd.	Ruentex Xing Co. Ltd. Ren Ying Industrial Co., Ltd. Chang Quan Investment Co., Ltd. Huei Hong Investment Co., Ltd. Samuel Yen-Liang Yin Yin Wong, Yee-Fan Yin Xun Ruo Education Foundation Yin,Chong-En (Lena Yin)	19.55% 19.14% 18.44% 17.96% 13.70% 6.55% 4.40% 0.26%
Yingjia Investment Co., Ltd.	Chang Quan Investment Co., Ltd. Ruen Hua Dyeing & Weaving Co., Ltd.	75.86% 24.14%
The Tang Prize Foundation	Huei Hong Investment Co., Ltd. Chang Quan Investment Co., Ltd.	39.73% 18.69%
Ruentex Xing Co. Ltd.	Samuel Yen-Liang Yin Yin Wong, Yee-Fan	99.997% 0.003%
PGIA Integrated International ETF in Custody of JPMorgan Chase	Not applicable	
Vanguard FTSE Emerging Markets ETF Special Account, JPMorgan Chase	Not applicable	
Ren Ying Industrial Co., Ltd.	Samuel Yen-Liang Yin Yin Wong, Yee-Fan	92.86% 7.14%
Yin Xun Ruo Education Foundation	Yin Wong, Yee-Fan Samuel Yen-Liang Yin Ruen Hua Dyeing & Weaving Co., Ltd.	63.4% 30.6% 4.5%

(I) 3. Disclosure of the professional qualifications and independence of independent directors

Data by: March 20, 2024

Core Competency Diversity Name of Director	Basic Information				The professional qualifications and hands-on experiences							Facts about independence attribute			Concurrently an Independent Director for Other Public Companies			
	Nationality	Gender	Age		Employment Status	Experience in the		Professional Capabilities			Not under any of the categories stated in Article 30 of the Company Act	Length of tenure as director						
			31 to 60	61 to 75		Architecture and Engineering	Finance	Law	Accounting	Risk management		Leadership and Decision-making	Less than 3 years	3 to 9 years		More than 9 years	No spouse or relative within two degrees of kinship between directors or supervisors	
Lee, Chih-Hung	ROC	Male	✓			✓				✓	✓	✓			✓	✓	0	
Mo, Wei-Han	ROC	Male		✓	✓	✓					✓	✓	✓		✓		✓	0
Yin, Chung-Yao	ROC	Male	✓					✓			✓	✓	✓		✓		✓	0
Chang, Kun-Long	ROC	Male		✓	✓	✓					✓	✓	✓	✓			✓	0
Chen, Chih-Chuan	ROC	Male		✓			✓			✓	✓	✓	✓			✓	✓	0
Lin, Chin-Szu	ROC	Male	✓			✓	✓			✓	✓	✓	✓	✓			✓	0
Shen, Xiao-Ling (Independent Director)	ROC	Female		✓			✓			✓	✓	✓	✓			✓	✓	2
Zheng, Hui-Bin (Independent Director)	ROC	Male	✓			✓					✓	✓	✓			✓	✓	0
Lin, Kuo-Feng (Independent Director)	ROC	Male		✓		✓					✓	✓	✓	✓			✓	3

Note: Mark "✓" for those who have the above capabilities or circumstances.

Requirements Title/Name	The professional qualifications and hands-on experiences	Facts about independence attribute	Concurrently an Independent Director for Other Public Companies	
Independent Director	Shen, Xiao-Ling	<p>Convener of the Audit Committee, formerly the Dean a professor in the Department of Business Administration at Soochow University, with a professional background in finance and accounting management.</p>	<p>(1) The principal person, his or her spouse, blood relative within the second degree of kinship have not served as the director and supervisor or employee in the Company or an affiliated enterprise thereof.</p> <p>(2) The number of shares held by the principal person, his or her spouse, blood relative within the second degree of kinship (or in the name of another): 0</p> <p>(3) Having not served with the Company or a company with specific relationship with the Company as director and supervisor or employee.</p> <p>(4) The amount of remuneration received by the Company or its affiliated enterprises for commercial, legal, financial, accounting services rendered within the most recent two years: 0</p>	2
Director	Zheng, Hui-Bin	<p>Audit Committee member, currently a professor at National Taiwan University Civil Engineering Department, with a professional background in construction.</p>	<p>(1) The principal person, his or her spouse, blood relative within the second degree of kinship have not served as the director and supervisor or employee in the Company or an affiliated enterprise thereof.</p> <p>(2) The number of shares held by the principal person, his or her spouse, blood relative within the second degree of kinship (or in the name of another): 0</p> <p>(3) Having not served with the Company or a company with specific relationship with the Company as director and supervisor or employee.</p> <p>(4) The amount of remuneration received by the Company or its affiliated enterprises for commercial, legal, financial, accounting services rendered within the most recent two years: 0</p>	0

	Lin, Kuo-Feng	Audit Committee member, currently a distinguished professor at National Taiwan University, with a professional background in construction.	(1) The principal person, his or her spouse, blood relative within the second degree of kinship have not served as the director and supervisor or employee in the Company or an affiliated enterprise thereof. (2) The number of shares held by the principal person, his or her spouse, blood relative within the second degree of kinship (or in the name of another): 0 (3) Having not served with the Company or a company with specific relationship with the Company as director and supervisor or employee. (4) The amount of remuneration received by the Company or its affiliated enterprises for commercial, legal, financial, accounting services rendered within the most recent two years: 0	3
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Note: For all directors' professional qualifications, hands-on experiences, and independence, see the Implementation of the Board of Directors' Diversity Policy on p. 34 of this Annual Report.

(I) 4. Diversification and independence of the Board of Directors:

The Company advocates and respects the policy of director diversity in order to strengthen corporate governance and promote sound development of the of the Board composition and structure. The Company also believes that the diversity will help enhance the overall performance of the Company. The Board of Directors is selected on the basis of merit. The current Board of Directors is composed of nine directors with a diverse and complementary set of skills across industries, including basic composition (e.g., age, gender, etc.), industry experience and related skills (e.g., construction, civil engineering, finance and accounting, legal, security and safety, etc.), as well as competencies such as business decision-making, management, leadership, and risk management. To strengthen Board capabilities toward the ideal goal of corporate governance, Article 20 of the Company's "Code of Corporate Governance" stipulates that the Board of Directors shall, overall, possess the capabilities as enumerated below: 1. Business decision-making capability; 2. Accounting and financial analysis capabilities; 3. Business management capabilities; 4. Risk management capabilities; 5. Industrial technology and know-how; 6. International market view; 7. Leadership capabilities; and 8. Policymaking process capabilities.

Please refer to the information of directors on p.s 25-31 of this Annual Report for the education levels and professional experiences of the directors. The implementation of the Board diversity policy by individual directors of the Company is as follows.

The Company presently maintains a nine-member board of directors, of which three are independent directors (representing a one-third representation on the board). Six directors, one of whom is female, are between the ages of 61 and 75, while three directors, all between the ages of 31 and 60, comprise the age distribution of the board. Professional backgrounds in finance, civil engineering, and construction engineering management comprise the three independent directors. Two independent directors possess over nine years of service experience. In light of their substantial experience in construction management, financial accounting, and strategic planning, as well as their contribution to risk management and decision-making, they have been reappointed as independent directors of the Company despite their lengthy tenures.

At present, the Company employs two directors who are also members of the board, accounting for 22% of the board. Female directors comprise the remaining 11%. Moving forward, the Company will prioritize gender equality and the establishment of a diversity policy pertaining to the membership of the board of directors. The objective is to systematically enhance the composition of the board, placing specific emphasis on promoting gender equality. The objective for the upcoming board election is to gradually improve gender equality by increasing the number of directors of each gender and reserving a minimum of one seat for a woman.

(II) Background Information of the President, Vice Presidents, Assistant Vice Presidents, and Chiefs of Departments and Branches

Data by: March 18, 2024; unit: shares; %

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
President	ROC	Mo, Wei-Han	Male	August 13, 2018	10,960	0.01%	16,440	0.01%	0	0.00%	1. Master of Management, Asian Institute of Management 2. Vice President, Continental Engineering Corporation 3. Plant Manager of RSEA Engineering	Chairman, Ruentex Material Co., Ltd.	Nil	Nil	Nil	Nil
Construction Business Division President	ROC	Lee, Zhen-Hong	Male	July 1, 2011	26,000	0.01%	0	0.00%	0	0.00%	1. Master of Architecture, National Taiwan University of Science and Technology 2. Project Vice President, Baolong International Co., Ltd. 3. Deputy Director, DA-CIN CONSTRUCTION CO., LTD.	Ruen Yang Construction Co., Ltd. Chairman	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Chief Technical Consultant	ROC	Ke, Wen-Pin	Male	October 1, 2018	0	0.00%	4,110	0.00%	0	0.00%	1. Ph.D., Institute of Structural Engineering and Disaster Prevention, Tongji University 2. Inspector, Labor Inspection Committee 3. Director, Da'an Civil Engineering Firm 4. Director, Da'an Construction Technology Co.	Nil	Nil	Nil	Nil	Nil
Vice President of the Precast Business Division	ROC	Hsu, Kun-Jung	Male	April 1, 2007	4,110	0.00%	0	0.00%	0	0.00%	Master of Civil Engineering, National Taiwan University	Nil	Nil	Nil	Nil	Nil
Quality Assurance Department and Occupational Health and Safety Department Vice President	ROC	Chen, Li-Wei	Male	January 11, 2021	255,650	0.14%	40,000	0.02%	0	0.00%	1. Department of Architecture, Feng Chia University 2. Assistant Vice President, Shing Yen Construction & Development Co., Ltd. 3. Manager, Dowell Skylight Co.	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Planning and Design Department Executive Vice President	ROC	Feng, Yi-Tao	Male	January 1, 2011	22,790	0.01%	0	0.00%	0	0.00%	1. Master of Civil Engineering, State University of New York System 2. Structural Engineer, FLOUR CITY ARCHI, INC. 3. Vice President and Chairman, Ruentex Construction & Engineering Co., Ltd.	Nil	Nil	Nil	Nil	Nil
Electrical and Mechanical Business Division Vice President	ROC	Tan, Kuo-Kuang	Male	August 3, 2018	0	0.00%	0	0.00%	0	0.00%	1. Master of Chemical Engineering, North Carolina State University 2. President, Taipei Rapid Transit Corporation	Nil	Nil	Nil	Nil	Nil
Accounting Department Vice President	ROC	Chao, Tsun-Kuo	Male	February 7, 2014	20,350	0.01%	0	0.00%	0	0.00%	1. Department of Financial Management, Management College, National Defense University 2. Vice President, Runzhu	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
											Architecture and Engineering (Shanghai) Co., Ltd.					
Valuation Department Vice President	ROC	Wu, Tzu-Liang	Male	January 4, 2005	0	0%	0	0.00%	0	0.00%	1. Ph.D. in Civil Engineering, National Taiwan University 2. Director, Wu Tzu Liang Structural Engineers & Associates	Nil	Nil	Nil	Nil	Nil
Professional Construction Department Vice President	ROC	Chang, Chao-Yu	Male	March 21, 2013	0	0%	0	0.00%	0	0.00%	Master of Civil Engineering, National Central University	Nil	Nil	Nil	Nil	Nil
Research and Development Department Vice President	ROC	Wang, Jui-Chen	Male	November 3, 2015	0	0.00%	34,000	0.02%	0	0.00%	1. Ph.D. in Civil Engineering, National Taiwan University 2. Research Assistant, National Taiwan University 3. Assistant Researcher, Taiwan Construction Research Institute	Director, Ruen Yang Construction Co., Ltd.	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Contracting Center Vice President	ROC	Fu, Kuo-Chen	Male	February 22, 2019	6,850	0.00%	50,250	0.03%	0	0.00%	1. Master of Civil Engineering, National Central University 2. Vice President, Ruentex Construction & Engineering Co., Ltd. 3. Nan Shan Life Insurance Co., Ltd. Chief Engineering Manager	Nil	Nil	Nil	Nil	Nil
Assistant Vice President of Human Resources Department	ROC	Jia-ru Wu	Female	June 1, 2020	1,000	0.00%	0	0.00%	0	0.00%	1. Master of Counseling, Ming Chuan University 2. Assistant Vice President, Ruentex Development Co., Ltd. 3. Assistant Manager, Micro-Star International Co., Ltd. 4. Assistant Manager, Ruentex Construction & Engineering Co., Ltd.	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Software Service Department Vice President	ROC	Tsao, Chang-Sheng	Male	May 18, 2010	73,980	0.04%	0	0.00%	0	0.00%	1. Master of Civil Engineering (Structural Engineering Track), National Taiwan University 2. Manager, Han-Chieh Engineering Consulting Co. 3. Manager, Tseng Ching-Cheng Structural Engineers	Nil	Nil	Nil	Nil	Nil
Information Security Office Assistant Vice President	ROC	Lin, Ming-Yi	Male	March 1, 2014	0	0.00%	6,000	0.00%	0	0.00%	1. Department of Mechanical Engineering, National Taiwan Institute of Technology 2. Engineer, Youcheng Industrial Co. 3. CAD Director, Hsiung Fong Electronics	Nil	Nil	Nil	Nil	Nil
Financial Department Kung-Yi Design Inc.	ROC	Chen, Hsueh-Ling	Female	July 1, 2011	41,100	0.02%	0	0.00%	0	0.00%	1. Shih-Hsin Comprehensive Business School	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
											2. Junior Manager, Kwang Hua Securities 3. Manager, Ruentex Construction & Engineering Co., Ltd.					
Audit Office Kung-Yi Design Inc.	ROC	Tai, Meng-Fang	Female	March 1, 2013	0	0.00%	0	0.00%	0	0.00%	1. Bachelor in Accounting, Shih Chien University 2. Senior Auditor, Deloitte Taiwan	Nil	Nil	Nil	Nil	Nil
Executive Vice President	ROC	Chuang, Chuan-Yeh	Male	February 1, 2020	43,100	0.02%	0	0.00%	0	0.00%	1. Geotechnical Engineering Track, Institute of Civil Engineering, National Central University Master's 2. Engineer, Ruentex Construction & Engineering Co., Ltd.	Nil	Nil	Nil	Nil	Nil
Vice President	ROC	Liao, Ching-Sung	Male	October 1, 2000	32,880	0.02%	0	0.00%	0	0.00%	1. Business Administration Major, Ling Tung Junior College of Accounting	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
											2. Assistant Vice President, Ruentex Industries Ltd. 3. Section Manager, Formosa Chemicals & Fibre Corporation					
Vice President	ROC	Chang, Gong-Chen	Male	November 1, 2010	85,060	0.05%	64,000	0.03%	0	0.00%	1. Electrical Engineering Department, Chien Hsin Tech 2. Chief Engineer, Shing Yen Construction & Development Co., Ltd.	Director, Ruen Yang Construction Co., Ltd.	Nil	Nil	Nil	Nil
Vice President	ROC	Chang, Po-Chao	Male	May 4, 2011	400	0.00%	0	0.00%	0	0.00%	1. Master of Architecture, National Taiwan University of Science and Technology 2. Assistant Supervisor, BES Engineering Corp.	Nil	Nil	Nil	Nil	Nil
Vice President	ROC	Chang, Kun-Long	Male	June 22, 2011	209,200	0.11%	0	0.00%	0	0.00%	1. Kainan High School Mechanical Engineering Major 2. Engineer, CHENG CHEN	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
											MACHINERY CO., LTD. 3. Vice President, Ruentex Construction & Engineering Co., Ltd.					
Vice President	ROC	Su, Yi-Hsien	Male	July 31, 2013	32,880	0.02%	0	0.00%	0	0.00%	1. Department of Civil Engineering, National Taipei Institute of Technology 2. Section Manager, Yi-Cheng Engineering Co.	Nil	Nil	Nil	Nil	Nil
Vice President	ROC	Teng, Pin-Pin	Male	March 1, 2014	34,250	0.02%	9,590	0.01%	0	0.00%	1. Ph.D. in Civil Engineering, National Taiwan University 2. Consultant, Sinotech Engineering Consultants Co., Ltd. 3. Researcher, Architecture and Building Research Institute, Ministry of the Interior	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Vice President	ROC	Chien, Chiu-Hsueh	Female	March 1, 2014	0	0.00%	0	0.00%	0	0.00%	1. Department of Mining and Metallurgy, National Taipei Institute of Technology 2. Global Studio 3. Junior Manager, Ruen-An Mechanical & Electrical Engineering, Co., Ltd.	Nil	Nil	Nil	Nil	Nil
Vice President	ROC	Tsai, Shun-Chi	Male	August 7, 2014	72,290	0.04%	17,660	0.01%	0	0.00%	1. Master of Civil Engineering, National Central University 2. Supervisor, National Defense Medical Center 3. Surveyor, Square Circle Engineer Consulting Co., Ltd.	Nil	Nil	Nil	Nil	Nil
Vice President	ROC	Yang, Kao-Ming	Male	November 1, 2019	0	0.00%	0	0.00%	0	0.00%	1. Master of Civil Engineering, National Chung Hsing University 2. Assistant Vice President, CHUNG-LIN GENERAL	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
											CONTRACTORS, LTD. 3. Vice President, Chao Pu Construction Co. 4. Manager, JJP Architects & Planners					
Vice President	ROC	Chen, Chao-Cheng	Male	November 16, 2021	87,830	0.05%	4,000	0.00%	0	0.00%	1. Department of Architecture, Chung Yuan Christian University 2. Vice President, Ruentex Interior Design Inc.	Nil	Nil	Nil	Nil	Nil
Vice President	ROC	Lin, Kuo-Feng	Male	August 1, 2022	0	0.00%	100,000	0.05%	0	0.00%	1. Department of Civil Engineering, Feng Chia University 2. Vice President, Chien Kuo Construction Co., Ltd. 3. Director, Continental Engineering Corporation	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
											4. Deputy Director, BES Engineering Inc.					
Assistant Vice President	ROC	Ho, Yen-Chang	Male	January 1, 2005	150,920	0.08%	1,370	0.00%	0	0.00%	Master of Construction, National Taiwan Institute of Technology	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Yeh, Tsung-Han	Male	May 18, 2010	19,180	0.01%	0	0.00%	0	0.00%	1. Department of Electronic Engineering, Kuang Wu Industry and Commerce Junior College 2. Air Conditioning Engineer, Chang Fu Plumbing 3. Ruen-An Mechanical & Electrical Engineering, Co., Ltd.	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Hung, Jung-Lin	Male	May 18, 2010	22,480	0.01%	1,000	0.00%	0	0.00%	1. Electrical Engineering Department, Oriental Institute of Technology	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
											2. Li Min Construction Company 3. Chu Pu Construction Co. 4. Ruen-An Mechanical & Electrical Engineering, Co., Ltd.					
Assistant Vice President	ROC	Lin, Ming-Huang	Male	March 1, 2011	106,860	0.06%	0	0.00%	0	0.00%	1. Institute of Construction Engineering, National Taiwan University 2. Engineer, Sze Ching Sports Engineering Co.	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Hung, Jung-Fang	Male	March 1, 2011	56,170	0.03%	0	0.00%	0	0.00%	1. Department of Architecture, National Taipei Institute of Technology 2. Manager, Yi-Cheng Engineering Co. 3. Manager, Lun Bao Engineering Co.	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Assistant Vice President	ROC	Chen, Jung-Ti	Female	March 1, 2011	100,000	0.05%	0	0.00%	0	0.00%	1. Department of Accounting, Chungyu Junior College of Business Administration 2. Cashier, HeySong Corporation 3. Accountant, KUO YUAN YE FOODS CO., LTD.	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Hsu, Liang-Tsai	Male	March 23, 2012	0	0.00%	0	0.00%	0	0.00%	1. Department of Civil Engineering, National Cheng Kung University 2. Engineer, Yi Tai Construction Co.	Nil	Nil	Nil	Nil	Nil
Project Assistant Vice President	ROC	Liang, Chia-Chou	Male	March 21, 2013	70	0.00%	0	0.00%	0	0.00%	1. Master of Civil Engineering, National Chiao Tung University 2. Structural Engineer, Taiwan Engineering Consultants Group 3. Structural Engineer, CTCI Smart Engineering Corporation	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Project Assistant Vice President	ROC	Huang, Pei-Chi	Male	March 21, 2013	0	0.00%	0	0.00%	0	0.00%	1. Master of Civil Engineering, Carnegie-Mellon University 2. Project Manager, Wu Tzu Liang Structural Engineers & Associates	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Hsu, Tsui-Li	Female	March 21, 2013	47,950	0.03%	0	0.00%	0	0.00%	1. Department of International Trade, Hsing Wu College 2. Section Chief, Ruentex Construction Co., Ltd. 3. Manager, Fu Hua Construction Manager Co.	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Wang, Chih-Chiang	Male	March 1, 2014	0	0.00%	0	0.00%	0	0.00%	1. Department of Mechanical Engineering, National Taipei University of Technology 2. Mechanical Engineer, Hanwei Electric & Technician Co.	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
											3. Hai Long Fire Protection PE					
Project Assistant Vice President	ROC	Chen, Wu-Sung	Male	March 1, 2014	0	0.00%	0	0.00%	0	0.00%	1. International MBA Program, National Chengchi University Master's 2. Design Engineer, SOUND AIR INDUSTRIAL CO., LTD. 3. Project Manager, Jui Hua Engineering 4. Manager, Tong Kai Engineering	Nil	Nil	Nil	Nil	Nil
Project Assistant Vice President	ROC	Huang, Ming-Chieh	Male	March 1, 2014	0	0.00%	0	0.00%	0	0.00%	1. Institute of Electronic Engineering, National Taiwan University of Science and Technology 2. Project Engineer, China Engineering Consultants, Inc. 3. Manager, Tong Kai Technology	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
											4.T-COM TECH FAE					
Valuation Assistant Vice President	ROC	Wu, Shih-Chung	Male	March 1, 2014	3,700	0.00%	0	0.00%	0	0.00%	1. Department of Civil Engineering, Feng Chia University 2. On-Site Engineer, CHU-CHIANG CONSTRUCTION CO., LTD.	Nil	Nil	Nil	Nil	Nil
Project Assistant Vice President	ROC	Kao, Feng-Cheng	Male	April 1, 2015	0	0.00%	0	0.00%	0	0.00%	1. Department of Mechanical Engineering, Nanya Polytechnic 2. Construction Engineer, H PLUS R ENVIRONMENTAL ENGINEERING CO., LTD. 3. Plumbing & Electrical Design Engineer, Juyo Engineering Consultants Ltd.	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remarks (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Assistant Vice President	ROC	Cheng, Hung-Hsun	Male	April 1, 2016	0	0.00%	0	0.00%	0	0.00%	1. Master of Civil Engineering, National Taiwan University 2. Planning Engineer, NEW ASIA CONSTRUCTION 3. Manager, Ruentex Interior Design Inc.	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Chiu, Chin-Hsiu	Male	April 1, 2016	15,550	0.01%	0	0.00%	0	0.00%	Section of Civil Engineering, Tungnan Junior College of Technology	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Chang, Nien-Cheng	Male	April 1, 2018	0	0.00%	0	0.00%	0	0.00%	1. Department of Business Administration, Aletheia University 2. Site Manager, LU HO CONSTRUCTION CO., LTD. 3. Site Manager, Ruentex Construction & Engineering Co., Ltd.	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Project Assistant Vice President	ROC	Pan, Cheng-Shan	Male	April 1, 2018	0	0.00%	0	0.00%	0	0.00%	1. Master of Construction Management, National Chiao Tung University 2. Senior Engineer, Continental Engineering Corporation	Nil	Nil	Nil	Nil	Nil
Business Assistant Vice President	ROC	Kao, Tao-Yuan	Male	April 1, 2018	4,110	0.00%	21,550	0.01%	0	0.00%	1. Master of Civil Engineering, National Chung Hsing University 2. Chief Engineer, Ruentex Construction & Engineering Co., Ltd.	Nil	Nil	Nil	Nil	Nil
Project Assistant Vice President	ROC	Li, Jung-Che	Male	February 1, 2020	0	0.00%	0	0.00%	0	0.00%	1. Master of Civil Engineering, Chung Yuan Christian University 2. Engineer, Hong Yun Engineering Co.	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Liang, Te-Yi	Male	September 1, 2020	0	0.00%	0	0.00%	0	0.00%	1. Department of Civil Engineering, Tamkang University	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
											2. Senior Manager, EXYTE Taiwan Co. 3. Shanghai Construction Director, LEND LEASE (TAIWAN) PTY LIMITED					
Assistant Vice President	ROC	Tang, Erh-Sheng	Male	April 1, 2021	0	0.00%	0	0.00%	0	0.00%	1. Section of Civil Engineering, Sze Hai College of Technology 2. Manager, Ruentex Construction & Engineering Co., Ltd.	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Cheng, Chieh	Male	January 1, 2022	0	0.00%	0	0.00%	0	0.00%	1. Section of Civil Engineering, Sze Hai College of Technology 2. Assistant Vice President, Ruentex Material Co., Ltd.	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Su, Chang-Chun	Male	April 1, 2022	0	0.00%	0	0.00%	0	0.00%	1. Master of Architecture, National Taipei University of Technology	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
											2. Junior Manager, Ruentex Construction					
Project Assistant Vice President	ROC	Han, Chia-Chun	Male	April 1, 2022	0	0.00%	0	0.00%	0	0.00%	1. Master of Civil Engineering, National Central University 2. Team Leader, Continental Engineering Corporation	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Chen, Ming-He	Male	April 1, 2023	0	0.00%	0	0.00%	0	0.00%	1. Department of Civil Engineering, China University of Science and Technology 2. Manager, Ruentex Construction	Nil	Nil	Nil	Nil	Nil
Human Resources Assistant Vice President	ROC	Wang, Ming-Yi	Female	2023.04.13	30,030	0.02%	0	0.00%	0	0.00%	1. Master's Degree, Institute of Human Resource Management, National Sun Yat-Sen University 2. Executive Officer, Ruentex Development Co., Ltd.	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Number of shares held		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Project Assistant Vice President	ROC	Kuo, Li-Ping	Female	2023.11.01	0	0.00%	0	0.00%	0	0.00%	1. Department of Civil Engineering, Provincial Kaohsiung Institute of Technology 2. Assistant Vice President, Ruentex Material Co., Ltd.	Nil	Nil	Nil	Nil	Nil

Note 1: The information of the President, Vice Presidents, Assistant Vice Presidents, heads of departments and branches, and anyone whose position is equivalent to President, Vice President or Assistant Vice President, regardless of title, shall all be disclosed.

Note 2: The hands-on experiences linked up with the current position title. If having served with the auditing and certifying Certified Public Accountant Office during the aforementioned period, please expressly indicate the position title and the duties in charge.

Note 3: Information about that the President or person of an equivalent position (the highest level Manager) and the Chairman is the same person, spouses, or relative within the first degree of kinship, shall disclose the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increase the number of Independent Directors and have a majority of directors who are not also employees or Managers concurrently, etc.)

III. Remuneration for Directors, Presidents, and Vice Presidents

(I) 1. Remuneration for General and Independent Directors

Unit: NTD in Thousands; %

Title	Name (Note 1)	Directors' Remuneration								(A+B+C+D) as a % of Net Income (Note 10)		Remuneration for Directors Who are Concurrently Employees								(A+B+C+D+E+F+G) as a % of Net Income (Note 10)	Whether or Not Receiving Remuneration From Investees or the Parent Company Other Than Subsidiaries (Note 11)	
		Remuneration (A) (Note 2)		Severance Pay/Retirement Allowance (B)		Remuneration of Directors (C) (Note 3)		Business Execution Expenses (D) (Note 4)				Salaries, Bonuses, and Special Expenses (E) (Note 5)		Severance Pay/Retirement Allowance (F)		Remuneration to Employee (G) (Note 6)						
		The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 7)	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Company	All Firms Disclosed in the Financial Statements	
Director	Representative of Ruentex Development: Lee, Chih-Hung Representative of Ruen Hua Dyeing & Weaving Co., Ltd.: Yin, Chung-Yao Representative of Yingjia Investment Co., Ltd.: Mo, Wei-Han Representative of Ruentex Development Co., Ltd.: Chang, Kun-Long	786	786	0	0	0	0	0	0	786 0.04%	786 0.04%	19,430	19,430	0	0	1,290	0	1,290	0	21,506 1.13%	21,506 1.13%	46,450

	Representative of Huei Hong Investment Co., Ltd.: Chen, Chih-Chuan																					
	Representative of Ruentex Development Co., Ltd.: Lin, Chin-Szu (Note①)																					
	Cao, Sho-Min (Note①)																					
Independence Director	Shen, Xiao-Ling	2,430	2,430	0	0	0	0	600	600	3,030 0.16%	3,030 0.16%	0	0	0	0	0	0	0	0	3,030 0.16%	3,030 0.16%	0
	Zheng, Hui-Bin																					
	Lin, Kuo-Feng																					
Total		3,216	3,216	0	0	0	0	600	600	3,816 0.20%	3,816 0.20%	19,430	19,430	0	0	1,290	0	1,290	0	24,536 1.29%	24,536 1.29%	46,450

1. Please specify the policy, system, standards, and structure of the remuneration paid to independent directors, and specify their correlation between the amount of the remuneration paid and their responsibilities, risks, and time contributed:

- (1) With respect to Article 21 of the Articles of Incorporation, the Board of Directors is authorized to determinate the remuneration of independent directors through discussions in respect to their involvement in organizational operations and organizational contributions and with reference to the common pay standards in the business.
- (2) In addition to the overall performance of the Company's operations, the future business risks, and development trends of the industry, the remuneration is also based on the performance evaluation of the directors, taking into account their personal performance in terms of time commitment and responsibilities, and evaluating the reasonableness in relation to the Company's business performance and future risks. The performance evaluation and the reasonableness of remuneration are reviewed by the Compensation Committee and the Board of Directors, and the remuneration system is reviewed in a timely manner in accordance with the actual operating conditions and relevant laws and regulations.

2. Other than disclosure in the above table, Directors remunerations earned by providing services (e.g. providing consulting services as a non-employee of parent company/all consolidated entities/non-consolidated affiliates) to the Company and all consolidated entities in financial statements of the previous year: NA

(Note① : The Company's director, Ruentex Development Co., Ltd., and representative: Lin, Chin-Szu, assumed office on May 31, 2023; Director Cao, Sho-Min, who was discharged after the expiration of his term of office on May 31, 2023.)

Range of Remuneration

Payment to the Company's Range of remunerations to directors	Name of Director			
	Total Amount of A to D		Total Amount of A to G	
	The Company (Note 8)	All Firms Disclosed in the Financial Statements (Note 9) H	The Company (Note 8)	Parent and All Invested Companies (Note 9) I
Less than NT\$1,000,000	Ruentex Development Co., Ltd. representatives Lee, Chih-Hung, Chang, Kun-Long, Lin, Chin-Szu; Yingjia Investment Co., Ltd. representative Mo, Wei-Han; Ruen Hua Dyeing & Weaving representative Yin, Chung-Yao; Huei Hong Investment representative Chen, Chih-Chuan, Cao, Sho-Min, Lin, Kuo-Feng	Ruentex Development Co., Ltd. representatives Lee, Chih-Hung, Chang, Kun-Long, Lin, Chin-Szu; Yingjia Investment Co., Ltd. representative Mo, Wei-Han; Ruen Hua Dyeing & Weaving representative Yin, Chung-Yao; Huei Hong Investment representative Chen, Chih-Chuan, Cao, Sho-Min, Lin, Kuo-Feng	Ruentex Development Co., Ltd. representatives Lee, Chih-Hung, Lin, Chin-Szu; Ruen Hua Dyeing & Weaving representative Yin, Chung-Yao; Huei Hong Investment representative Chen, Chih-Chuan; Cao, Sho-Min; Lin, Kuo-Feng	Ruen Hua Dyeing & Weaving representative Yin, Chung-Yao; Huei Hong Investment representative Chen, Chih-Chuan; Cao, Sho-Min; Lin, Kuo-Feng
NT\$1,000,000 (included) – NT\$2,000,000 (excluded)	Shen, Xiao-Ling; Zheng, Hui-Bin	Shen, Xiao-Ling; Zheng, Hui-Bin	Shen, Xiao-Ling; Zheng, Hui-Bin	Shen, Xiao-Ling; Zheng, Hui-Bin
NT\$2,000,000 (included) – NT\$3,500,000 (excluded)			Representative of Ruentex Development: Chang, Kun-Long	Representative of Ruentex Development: Chang, Kun-Long
NT\$3,500,000 (included) – NT\$5,000,000 (excluded)				
NT\$5,000,000 (included) – NT\$10,000,000 (excluded)				Representative of Ruentex Development Co., Ltd.: Lin, Chin-Szu
NT\$10,000,000 (included) – NT\$15,000,000 (excluded)				
NT\$15,000,000 (included) – NT\$30,000,000 (excluded)			Representative of Yingjia Investment Co., Ltd. Mo, Wei-Han	Representative of Yingjia Investment Co., Ltd. Mo, Wei-Han
NT\$30,000,000 (included) – NT\$50,000,000 (excluded)				Representative of Ruentex Development: Lee, Chih-Hung

Payment to the Company's Range of remunerations to directors	Name of Director			
	Total Amount of A to D		Total Amount of A to G	
	The Company (Note 8)	All Firms Disclosed in the Financial Statements (Note 9) H	The Company (Note 8)	Parent and All Invested Companies (Note 9) I
NT\$50,000,000 (included) – NT\$100,000,000 (excluded)				
NT\$100,000,000 and Above				
Total	10 people	10 people	10 people	10 people

Note 1: Names of directors shall be enumerated respectively. (In case of corporate shareholders, the names of the corporate shareholders and their representatives shall be enumerated respectively) It shall respectively enumerate the general directors and independent directors to disclose a variety of amounts of payments in aggregation.

Where directors concurrently served as President and Vice President, please fill in the present Table and the following Table.

Note 2: It refers to the remuneration to directors in the most recent year (including the salaries for directors, additional job subsidies, severance pay, a variety of incentives and awards and the like).

Note 3: It refers to the amounts of the remuneration to directors to be distributed as resolved by the Board of Directors in the most recent year.

Note 4: It refers to the expenses spent by directors for relevant business execution in most recent year (including traffic allowances, special expenditures, a variety of allowances, provided forms, vehicles and such objects in kind and the like). In case of provision of housings, vehicles or other transportations as individual expenditures, the Company shall disclose the attributes and costs for such provisions; such rents, fuel costs or other payments as substantially paid or counted based on the fair market prices. In case of chauffeurs provided, please remark the relevant remuneration paid to the chauffeurs which, nevertheless, shall not be counted inclusively into the remuneration.

Note 5: It refers to such salaries, position bonus, resignation fees, a variety of bonuses, incentives, traffic allowance s, special expenditures, a variety of allowances, dormitories, vehicle allocations and other objects provided to the directors who concurrently served as employees most recent year (including concurrently presidents, vice presidents, other managerial officers and employees). In case of provision of housings, vehicles or other transportations as individual expenditures, the Company shall disclose the attributes and costs for such provisions; such rents, fuel costs or other payments as substantially paid or counted based on the fair market prices. In case of chauffeurs provided, please remark the relevant remuneration paid to the chauffeurs which, nevertheless, shall not be counted inclusively into the remuneration. Besides, such salary expenses recognized under IFRS 2 "Share Based Payment", including the acquisition of employee stock option certificates, restriction upon employee rights from new shares and participation in cash capital increase subscription shares and the like shall also be counted inclusively into the remuneration as well.

Note 6: It refers to such the remuneration to employees (including stocks and cash) acquired by the directors who concurrently served as employees most recent year (including concurrently presidents, vice presidents, other managerial officers and employees) most recent year, the Company shall disclose the amounts of the remuneration to employees to be distributed as resolved in the Board of Directors most recent year. In such amounts could not be estimated in advance, the amounts intended to be distributed in the present year shall be duly counted pro rata to the amounts substantially distributed in the preceding year and shall, additionally, fill up Table 1-3.

Note 7: The Company shall disclose the aggregate total amount of a variety of remunerations paid to the Company's directors from all companies within the consolidated statements (including the Company).

Note 8: The aggregate total amount of a variety of remuneration paid to each and every director by the Company, the Company shall disclose names of directors in the hierarchy scale of distribution.

Note 9: The Company shall disclose the aggregate total amount of a variety of remunerations paid to the Company's directors from all companies within the consolidated statements (including the Company). The Company shall disclose names of directors in the hierarchy scale of distribution.

Note 10: The term "net profit after tax" denotes the net profits after tax in the respective or individual financial statements in the most recent year.

Note 11: a. This column shall expressly indicate the amounts of remunerations payable to the Company's directors from the investees other than subsidiaries or parent company (Please enter "nil" in case of none).

b. Where the Company's directors received relevant remunerations from the investees or parent company except subsidiaries, the Company shall have the remunerations from the investees or parent company except subsidiaries consolidated into the column of the hierarchy table and shall change the title of the column into "Parent company and all investees"

c. The term "remuneration" as set forth herein denotes such relevant remuneration as reward. remuneration (including remunerations paid to employees, directors and supervisors) and business execution expenses received by the Company's directors who serve as directors and supervisors or managerial officers of investees, parent company except subsidiaries.

*Given the difference between the remuneration disclosed in this Table and concept of income under the Income Tax Act, information disclosed in this Table is for disclose purposes only and shall not be used for taxation.

(I) 2. Remuneration for the President and Vice Presidents

Unit: NTD in Thousands; %

Title	Name	Remuneration (A) (Note 2)		Severance Pay/Retirement Allowance (B)		Bonuses & Special Expenses (C) (Note 3)		Amount of Remuneration to Employee (D) (Note 4)				(A+B+C+D) as a % of Net Income (Note 8)		Whether or Not Receiving Remuneratio n From Investees or the Parent Company Other Than Subsidiaries (Note 9)
		The Compan y	All Firms Disclose d in the Financia l Stateme nts (Note 5)	The Compan y	All Firms Disclos ed in the Financi al Stateme nts (Note 5)	The Compan y	All Firms Disclose d in the Financia l Stateme nts (Note 5)	The Company		All Firms Disclosed in the Financial Statements (Note 5)		The Compan y	All Firms Disclose d in the Financia l Stateme nts	
								Cash Amoun t	Stock Amoun t	Cash Amoun t	Stoc k Amoun t			
President	Mo, Wei-Han	56,114	56,114	Zero	Zero	98,451	98,451	4,550 Note ①	Zero	4,550 Note ①	Zero	159,115 8.36%	159,115 8.36%	Zero
President of the Construction Business Division	Lee, Zhen-Hong													
President of the Precast Business Division	Chan, Yao-Yu (Note②)													
Chief Technical Consultant	Ke, Wen-Pin (Note③)													
Executive Vice President	Chuang, Chuan-Yeh													
Executive Vice President	Feng, Yi-Tao													
Vice President	Hsu, Kun- Jung													
Vice President	Fu, Kuo- Chen													
Vice President	Tsai, Shun- Chi													
Vice President	Wu, Tzu- Liang													
Vice President	Liao, Ching- Sung													
Vice President	④Chin, Cheng- Tai (Note)													

Title	Name	Remuneration (A) (Note 2)		Severance Pay/Retirement Allowance (B)		Bonuses & Special Expenses (C) (Note 3)		Amount of Remuneration to Employee (D) (Note 4)				(A+B+C+D) as a % of Net Income (Note 8)		Whether or Not Receiving Remuneration From Investees or the Parent Company Other Than Subsidiaries (Note 9)
		The Compan y	All Firms Disclose d in the Financia l Stateme nts (Note 5)	The Compan y	All Firms Disclos ed in the Financi al Stateme nts (Note 5)	The Compan y	All Firms Disclose d in the Financia l Stateme nts (Note 5)	The Company		All Firms Disclosed in the Financial Statements (Note 5)		The Compan y	All Firms Disclose d in the Financia l Stateme nts	
								Cash Amou nt	Stock Amou nt	Cash Amou nt	Stoc k Amou nt			
Vice President	Chang, Gong-Chen													
Vice President	Tsao, Chang- Sheng													
Vice President	Chang, Kun- Long													
Vice President	Hsu, Jin- Qian (Note 5)													
Vice President	Tan, Kuo- Kuang													
Vice President	Chang, Po- Chao													
Vice President	Chao, Tsun- Kuo													
Vice President	Chang, Chao-Yu													
Vice President	Su, Yi-Hsien													
Vice President	Teng, Pin- Pin													
Vice President	Chien, Chiu- Hsueh													
Vice President	Wang, Jui- Chen													
Vice President	Yang, Kao- Ming													

Title	Name	Remuneration (A) (Note 2)		Severance Pay/Retirement Allowance (B)		Bonuses & Special Expenses (C) (Note 3)		Amount of Remuneration to Employee (D) (Note 4)				(A+B+C+D) as a % of Net Income (Note 8)		Whether or Not Receiving Remuneration From Investees or the Parent Company Other Than Subsidiaries (Note 9)
		The Company	All Firms Disclosed in the Financial Statements (Note 5)	The Company	All Firms Disclosed in the Financial Statements (Note 5)	The Company	All Firms Disclosed in the Financial Statements (Note 5)	The Company		All Firms Disclosed in the Financial Statements (Note 5)		The Company	All Firms Disclosed in the Financial Statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Vice President	Chen, Chao-Cheng													
Vice President	Chen, Li-Chun													
Vice President	Lin, Kuo-Feng													

Note ① The distribution of employees' remuneration for 2023 was approved by the Board of Directors on February 2, 2024, with a 1% allocation, and on March 13, 2024, the Board of Directors approved the distribution of employees' remuneration in accordance with Article 26 of the Company's Articles of Incorporation, amounting to NT\$23,535 thousand. However, the allocation of personnel and individual amounts have not yet been resolved (the proposed allocation amount is an estimate). Note② President Chan, Yao-Yu was discharged on February 28, 2023. Note③ Chief Technical Consultant Ke, Wen-Pin was dismissed on April 1, 2024. Note④ Vice President Chin, Cheng-Tai was discharged on May 1, 2023. Note⑤ Vice President, Hsu, Jin-Qian was discharged on March 1, 2024 .

Range of Remuneration

Range of Remuneration for Presidents and Vice Presidents	Name of President/Vice President	
	The Company (Note 6)	Parent and All Invested Companies (Note 7) E
Less than NT\$1,000,000		
NT\$1,000,000 (included) – NT\$2,000,000 (excluded)	Chan, Yao-Yu; Chin, Cheng-Tai	Chan, Yao-Yu; Chin, Cheng-Tai
NT\$2,000,000 (included) – NT\$3,500,000 (excluded)	Chang, Kun-Long; Chen, Chao-Cheng; Lin, Kuo-Feng	Chang, Kun-Long; Chen, Chao-Cheng; Lin, Kuo-Feng
NT\$3,500,000 (included) – NT\$5,000,000 (excluded)	Chen, Li-Chun; Teng, Pin-Pin; Hsu, Jin-Qian; Yang, Kao-Ming; Chien, Chiu-Hsueh; Chang, Po-Chao; Liao, Ching-Sung; Tsai, Shun-Chi; Chang, Gong-Chen; Chang, Chao-Yu	Chen, Li-Chun; Teng, Pin-Pin; Hsu, Jin-Qian; Yang, Kao-Ming; Chien, Chiu-Hsueh; Chang, Po-Chao; Liao, Ching-Sung; Tsai, Shun-Chi; Chang, Gong-Chen; Chang, Chao-Yu
NT\$5,000,000 (included) – NT\$10,000,000 (excluded)	Hsu, Kun-Jung; Tan, Kuo-Kuang; Fu, Kuo-Chen; Su, Yi-Hsien; Wu, Tzu-Liang; Lee, Zhen-Hong	Hsu, Kun-Jung; Tan, Kuo-Kuang; Fu, Kuo-Chen; Su, Yi-Hsien; Wu, Tzu-Liang; Lee, Zhen-Hong

Range of Remuneration for Presidents and Vice Presidents	Name of President/Vice President	
	The Company (Note 6)	Parent and All Invested Companies (Note 7) E
	Tsao, Chang-Sheng; Wang, Jui-Chen; Ke, Wen-Pin; Chao, Tsun-Kuo; Feng, Yi-Tao	Tsao, Chang-Sheng; Wang, Jui-Chen; Ke, Wen-Pin; Chao, Tsun-Kuo; Feng, Yi-Tao
NT\$10,000,000 (included) – NT\$15,000,000 (excluded)	Chuang, Chuan-Yeh	Chuang, Chuan-Yeh
NT\$15,000,000 (included) – NT\$30,000,000 (excluded)	Mo, Wei-Han	Mo, Wei-Han
NT\$30,000,000 (included) – NT\$50,000,000 (excluded)		
NT\$50,000,000 (included) – NT\$100,000,000 (excluded)		
NT\$100,000,000 and Above		
Total	A total of twenty-eight	A total of twenty-eight

Note 1: The names of the President and Vice President shall be enumerated respectively to disclose amounts of various payments in combination. Where directors concurrently served as President and Vice President, please fill up the present Table and the aforementioned Table.

Note 2: To enumerate the salaries, position allowance, resignation fees for President and Vice President in the most recent year.

Note 3: It refers to a variety of bonuses, incentives, traffic allowances, special expenditures, a variety of allowances, dormitories, vehicle allocations and objects in kind paid to the President and Vice President in the most recent year. In case of provision of housings, vehicles or other transportations as individual expenditures, the Company shall disclose the attributes and costs for such provisions; such rents, fuel costs or other payments as substantially paid or counted based on the fair market prices. In case of chauffeurs provided, please remark the relevant remuneration paid to the chauffeurs which, nevertheless, shall not be counted inclusively into the remuneration. Besides, such salary expenses recognized under IFRS 2 "Share Based Payment", including the acquisition of employee stock option certificates, restriction upon employee rights from new shares and participation in cash capital increase subscription shares and the like shall also be counted inclusively into the remuneration as well.

Note 4: It should enumerate the amount of remuneration to employees allocated to President and Vice President as resolved in the Board of Directors in the most recent year (including both stocks and cash). If the amount could not be estimated, it shall be counted *pro rata* to the amounts substantially distributed in the preceding year for the amount to be distributed in the present year. Besides, please additionally fill up Table 1~3.

Note 5: The Company shall disclose the aggregate total amount of a variety of remunerations paid to the Company's President and Vice President from all companies covered within the consolidated financial statements (including the Company).

Note 6: Regarding the aggregate total amount of a variety of remunerations paid to each and every President and Vice President by the Company, the names of the President and Vice President shall be disclosed in the hierarchy scale.

Note 7: The Company shall disclose the aggregate total amount of a variety of remunerations paid to the Company's President and Vice President from all companies covered within the consolidated financial statements (including the Company). The names of the President and Vice President shall be disclosed in the hierarchy scale.

Note 8: The term “net profit after tax” denotes the net profits after tax as shown in the individual or respective financial statements in the most recent year.

Note 9: This column shall expressly indicate the amounts of remunerations payable to the Company's President and Vice President from the investees other than subsidiaries or parent company (Please enter “nil” in case of none).

b. Where the Company's President and Vice President received relevant remunerations from the investees or parent company except subsidiaries, the Company shall have the remunerations payable to the President and Vice President from the investees or parent company except subsidiaries consolidated into the column of the hierarchy table Column E and shall change the title of the column into “Parent company and all investees”

c. The term "remuneration" as set forth herein denotes such relevant remuneration as reward, remuneration (including remunerations paid to employees, directors and supervisors) and business execution expenses received by the Company's President and Vice President who serve as directors and supervisors or managerial officers of investees, parent company except subsidiaries.

*Given the difference between the remuneration disclosed in this Table and concept of income under the Income Tax Act, information disclosed in this Table is for disclose purposes only and shall not be used for taxation.

(I) 3. Employees' Profit Sharing Paid to Management Team (2023):

Unit: NT\$ thousands; %

	Position title: (Note 1)	Name (Note 1)	Stock Amount	Cash Amount	Total	Percentage in Net Earnings After Tax
Managers	President	Mo, Wei-Han	Zero	6,373	6,373	0.34%
	President of the Construction Business Division	Lee, Zhen-Hong				
	Chief Technical Consultant	Ke, Wen-Pin				
	Executive Vice President	Chuang, Chuan- Yeh				
	Executive Vice President	Feng, Yi-Tao				
	Vice President	Tsai, Shun-Chi				
	Vice President	Chang, Po-Chao				
	Vice President	Tsao, Chang- Sheng				
	Vice President	Teng, Pin-Pin				
	Vice President	Su, Yi-Hsien				
	Vice President	Liao, Ching- Sung				
	Vice President	Wang, Jui-Chen				
	Vice President	Chao, Tsun-Kuo				
	Vice President	Fu, Kuo-Chen				
	Vice President	Chien, Chiu- Hsueh				
	Vice President	Chang, Kun- Long				
	Vice President	Hsu, Kun-Jung				
	Vice President	Wu, Tzu-Liang				
	Vice President	Chang, Gong- Chen				
	Vice President	Chang, Chao-Yu				
	Vice President	Tan, Kuo-Kuang				
	Vice President	Yang, Kao-Ming				
	Vice President	Chen, Li-Chun				
	Vice President	Chen, Chao- Cheng				
	Vice President	Lin, Kuo-Feng				
	Business Assistant Vice President	Kao, Tao-Yuan				
Project Assistant Vice President	Liang, Chia- Chou					
Assistant Vice President	Yeh, Tsung-Han					
Assistant Vice President	Cheng, Hung- Hsun					
Assistant Vice President	Hung, Jung-Lin					
Assistant Vice President	Hung, Jung- Fang					
Assistant Vice President	Chang, Nien- Cheng					

	Position title: (Note 1)	Name (Note 1)	Stock Amount	Cash Amount	Total	Percentage in Net Earnings After Tax
	Assistant Vice President	Chen, Jung-Ti				
	Assistant Vice President	Ho, Yen-Chang				
	Valuation Assistant Vice President	Wu, Shih-Chung				
	Assistant Vice President	Lin, Ming-Yi				
	Assistant Vice President	Lin, Ming- Huang				
	Project Assistant Vice President	Chen, Wu-Sung				
	Project Assistant Vice President	Huang, Ming- Chieh				
	Project Assistant Vice President	Kao, Feng- Cheng				
	Assistant Vice President	Chiu, Chin-Hsiu				
	Assistant Vice President	Hsu, Liang-Tsai				
	Assistant Vice President	Wang, Chih- Chiang				
	Project Assistant Vice President	Huang, Pei-Chi				
	Project Assistant Vice President	Pan, Cheng- Shan				
	Project Assistant Vice President	Li, Jung-Che				
	Assistant Vice President	Hsu, Tsui-Li				
	Assistant Vice President	Jia-ru Wu				
	Assistant Vice President	Liang, Te-Yi				
	Assistant Vice President	Tang, Erh-Sheng				
	Assistant Vice President	Su, Chang-Chun				
	Project Assistant Vice President	Han, Chia-Chun				
	Assistant Vice President	Cheng, Chieh				
	Assistant Vice President	Chen, Ming-He				
	Project Assistant Vice President	Kuo, Li-Ping				
	Human Resources	Wang, Ming-Yi				

	Position title: (Note 1)	Name (Note 1)	Stock Amount	Cash Amount	Total	Percentage in Net Earnings After Tax
	Assistant Vice President					
	Finance Manager	Chen, Hsueh- Ling				
	Audit Manager	Tai, Meng-Fang				

Note: The distribution of employees' remuneration for 2023 was approved by the Board of Directors on February 2, 2024, with a 1% allocation, and on March 13, 2024, the Board of Directors approved the distribution of employees' remuneration in accordance with Article 26 of the Company's Articles of Incorporation, amounting to NT\$23,535 thousand. However, the allocation of personnel and individual amounts have not yet been resolved (the proposed allocation amount is an estimate).

Note 1: The name and title of managers shall be disclosed individually. However, the distribution of profit can be disclosed in aggregate.

Note 2: Refers to the remuneration for managers (including stock and cash) approved by the Board of Directors in the previous year. If the remuneration cannot be estimated, the Company shall calculate the proposed distribution balance this year based on the amount of actual distribution in the previous year. The net income after tax refers to the net income after tax of the most recent year; if IFRSs have been adopted, the net income after tax refers to the net income after tax of the most recent year for individual or standalone financial reports.

Note 3: Referring to Letter Tai-Cai-Zheng-San-Zi No. 0920001301 of the Commission dated March 27, 2003, the scope of managers is as follows:

(1) Presidents and equivalent level; (2) Vice presidents and equivalent level; (3) Assistant vice presidents and equivalent level; (4) Financial supervisor;

(5) Accounting supervisor; (6) Other managers and authorized personnel.

Note 4: In addition to Table 1-2, directors, presidents, and vice presidents receiving remuneration for employees (including stock and cash) shall be disclosed in this table.

(II) In case of one among circumstances enumerated below, the names and remunerations for the individual directors or supervisors shall be disclosed:

1. A company that reported after-tax losses in parent company only or individual financial statements in any of the last 3 years shall make separate disclosures for the names and compensation of "directors and supervisors"; this requirement does not apply if standalone/individual financial statements in the most recent year show after-tax profit that adequately covers cumulative losses: None.
2. Make separate disclosure of directors' compensation if directors fail to maintain minimum shareholding for 3 consecutive months or longer in the last year; make separate disclosure of supervisor' compensation if supervisors fail to maintain minimum shareholding for 3 consecutive months or longer in the last year: None.
3. Make separate disclosure of directors' and supervisors' compensation for directors and supervisors that pledged an average of more than 50% of shares held in any three months in the last year: None.
4. If the total amount of remuneration received by all of the directors and supervisors in their capacities as directors or supervisors of all of the companies listed in the financial reports exceeds 2 percent of the net income after tax, and the remuneration received by any individual director or supervisor exceeds NT\$15 million, the Company shall disclose the remuneration paid to that individual director or supervisor(excluding relevant remunerations received by concurrent employees): None.
5. Where a TWSE/TPEX listed company ranks in the last two grade level in the corporate governance evaluation results in the most recent year or has changed transaction approach, discontinued trading, terminated TWSE/TPEX listing or has been resolved by the Corporate Governance Evaluation Committee as not entitled to evaluation in the most recent year as of the publication date of the Annual Report: None.
6. Where the salaries averaged for full-time employees serving not as a department head in a TWSE/TPEX listed company are not up to NT\$500,000 in the most recent year: None.
7. A TWSE or TPEX listed company had an increase of 10 percent or more in net profit after tax for the most recent fiscal year, but the average annual salary of its full-time non-management employees did not increase relative to the preceding fiscal year.: None.
8. A TWSE or TPEX listed company had a decline in after-tax net income reaching 10 percent and exceeding NT\$5 million for the most recent fiscal year, along with an increase in its average remuneration per director (not including the remuneration of those who are also employees) reaching 10 percent or more and exceeding NT\$100,000:

(III) TWSE/TPEX listed companies that exhibit any of the conditions mentioned in 1. or 5. of the preceding Paragraph are required to disclose compensation received by the top-5 paid managers (e.g. President, Vice Presidents, CEO, or Head of Finance): **None.**

(IV) Respectively compare and explain with analysis that the aggregate total amounts of remunerations paid to the Company's directors, supervisors, President and Vice President in the two most recent years as shown through the Company's consolidated financial statements for the percentage to the net profits after tax in the individual or respective financial statements and explanatory the policies regarding payment of remunerations, standards/criteria and compositions, procedures to fix the remuneration along with the interrelationship with the business performance and risks in the future.

1. Analysis of the Proportion of the Total Remuneration Paid to the Directors, Supervisors, Presidents, and Vice Presidents of the Company to the Net Income After Tax in the Most Recent Two Years:

(1) Unit: NT\$ thousands; %

Position title:	Total Remuneration and its Proportion to the Net Income After Tax (%)			
	2022		2023	
	The Company	All Firms Disclosed in the Consolidated Financial Statements	The Company	All Firms Disclosed in the Consolidated Financial Statements
Director ^{Note①}	25,6601.25%	25,6601.25%	24,5361.29%	24,5361.29%
Supervisor ^{Note②}	0	0	0	0
Presidents and Vice Presidents	166,0268.06%	166,0268.06%	159,1158.36%	159,1158.36%

Note①: Including the remuneration of part-time managers. Note②: The Company set up an Audit Committee on June 22, 2020.

The remuneration to directors (including independent directors) for 2023, both consolidated and standalone company, was NT\$24,536 thousand, a decrease of NT\$1,124 thousand from the remuneration of NT\$25,660 thousand in 2022. The total remuneration in 2023 and 2022 accounted for 1.29% and 1.25 of net income, respectively. This is mainly due to both the revenue and profit in 2023 were lower than the previous year, and the remuneration to concurrently held employees was relatively lower, and the percentage was similar to the previous year.

- (2) As the Company has established an Audit Committee to replace the supervisors on June 22, 2020, the supervisors' remuneration was NT\$0.
- (3) In 2023, the total compensation paid to the President and Vice President for both the consolidated and individual companies was NT\$159,115 thousand, a decrease of NT\$6,911 thousand from NT\$166,026 thousand paid in 2022. The total compensation as a percentage of the net profit after tax was 8.36% in 2023 and 8.06% in 2022. This compensation was distributed in accordance with the company's bonus policy, which ties payments to company performance and individual achievement goals. The reduction in compensation reflects a decrease in revenue and profit compared to the previous year, while the proportion of compensation relative to net profit remained similar to the previous year.

2. Compensation Policies, Standards, Packages, and Procedures, and Association with Future Risks and Business Performance:

- (1) In accordance with Article 21 of the Company's Articles of Incorporation, the Board of Directors is authorized to determine the remuneration of directors based on the extent of their participation in and contribution to the Company's operations, the results of the director's performance evaluation, and with reference to the standards of the industry. In addition to receiving fixed remuneration when performing duties in the Company of this current term of directors (including independent directors), the functional committee members are paid with the traveling stipend for their attendance on a case-by-case basis. In addition, the Company's Articles of Incorporation does not stipulate the remuneration of directors , and no remuneration is paid to directors.
- (2) For the remuneration to the president, vice presidents and other managers, in accordance with Article 26 of the Company's Articles of Incorporation, if the Company has a profit in the year, at least 1% of the remuneration shall be distributed as employee's remuneration. The bonus method is determined based on the operating conditions (achievement of net operating profit after tax) , the results of individual performance evaluation (function goals and business achievement), and the contribution to the company.

The Company's procedures for determining remuneration, in addition to referring to the Company's overall operating performance (bonus is calculated based on the bonus scale table for It also takes into account the quality and performance of the project, special contribution , as well as the time invested by the individual, the responsibilities he undertakes, and the achievement of individual goals , and the remuneration to the unit and individual is calculated accordingly. Based on the achievement of the Company's short-term and long-term business objectives and the Company's financial position. The performance evaluation and the reasonableness of the remuneration are reviewed by the Compensation Committee and the Board of Directors, and the remuneration system is reviewed in accordance with the actual operating conditions and relevant laws and regulations in order to strike a balance between sustainable operation and risk control.

IV. Corporate Governance:

(I) Board of Directors Meeting Status:

In the most recent fiscal year (2023), the Board of Directors convened a total of 8 meetings (A). The facts of participation and attendance by directors are as enumerated below:

Title	Name	Attendances in Person B	Attendances by Proxy	Rate of Actual Attendance (%) [B/A]	Remark
Chairman	Ruentex Development Co., Ltd. Representative: Lee, Chih-Hung	8	0	100.00%	Re-elected on May 31, 2023
Director	Yingjia Investment Co., Ltd. Representative: Mo, Wei-Han	8	0	100.00%	Re-elected on May 31, 2023
Director	Ruen Hua Dyeing & Weaving Co., Ltd. Representative: Yin, Chung-Yao	2	6	25.00%	Re-elected on May 31, 2023
Director	Ruentex Development Co., Ltd. Representative: Chang, Kun-Long	7	1	87.50%	Re-elected on May 31, 2023
Director	Huei Hong Investment Co., Ltd. Representative: Chen, Chih-Chuan	7	1	87.50%	Re-elected on May 31, 2023
Director	Ruentex Development Co., Ltd. Representative: Lin, Chin-Szu	5	0	100.00%	Newly appointed on May 31, 2023, 5 attendances required
Director	Cao, Sho-Min	3	0	100.00%	Expired on May 31, 2023; expected to attend 3 times
Independent Director	Shen, Xiao-Ling	8	0	100.00%	Re-elected on May 31, 2023
Independent Director	Zheng, Hui-Bin	8	0	100.00%	Re-elected on May 31, 2023
Independent Director	Lin, Kuo-Feng	8	0	100.00%	Re-elected on May 31, 2023

Other Information Required for Disclosure:

I. The date, session, proposal content, and resolution specified and the opinion expressed by independent directors shall be specified under any one of the following circumstances:

(I) An issue as set forth under Article 14-3 of Securities and Exchange Act.

Board of Directors	Proposal Contents and Handling	An issue as set forth under Article 14-3 of Securities and Exchange Act	Independent Directors Object or Reserve Their Opinions
12 th Term 23 rd Meeting January 12, 2023	<p>1. The Company's Managers' Performance Bonus for the Year 2022 (Directors Mo, Wei-Han and Chang, Kun-Long were recused due to a conflict of interest as the President and the Vice President, respectively.)</p> <p>2. The Company's Managers' Employee Remuneration for the Year 2021 (Directors Mo, Wei-Han and Chang, Kun-Long were recused due to a conflict of interest as the President and the Vice President, respectively.)</p>	Yes	No
Independent directors' opinions: N/A			
The Company's Handling of the Independent Directors' Opinions: N/A.			
<p>Resolution:</p> <p>1.2. With the exception of Directors Mo, Wei-Han and Chang, Kun-Long, who were recused from the discussion and vote in accordance with the regulations, the Chairperson consulted the other directors present, and the motion was passed without objection.</p>			
12 th Term 24 th Meeting March 14, 2023	<p>1. The joint guarantee for the mining land lease of Ruentex Materials Co., Ltd. added by the Company (because Chairman Lee, Chih-Hung, Director Yin, Chung-Yao, Director Mo, Wei-Han served as Director, Director, and Chairman of Ruentex Materials Co., Ltd., respectively; and recused from declaration of interest for being a related party).</p> <p>2. Proposal to approve the provision of non-certification services by the CPAs, their firm, and affiliates of the firm to the Company and its subsidiaries.</p>	Yes	No
Independent directors' opinions: N/A			
The Company's Handling of the Independent Directors' Opinions: N/A.			
<p>Resolution:</p> <p>1. With the exception of the Director (Chairman Lee, Chih-Hung and Directors Yin, Chung-Yao and Mo, Wei-Han), who were recused from the discussion and vote in accordance with the regulations, all the directors present were consulted by the acting Chairperson, Independent Director Shen, Xiao-Ling, and the motion was passed without objection.</p> <p>2. After the Chairperson's consultation with the directors present, the motion was passed without any objection.</p>			
12 th Term 25 th Meeting 2023/05/11	1. Amendments to the Company's "Internal Control System" and "Internal Audit Act Enforcement Rules."	Yes	No
Independent directors' opinions: N/A			
The Company's Handling of the Independent Directors' Opinions: N/A.			
<p>Resolution:</p> <p>1. After the Chairperson's consultation with the directors present, the motion was passed without any objection.</p>			
13 th Term	1. The Company's proposal to establish a corporate	Yes	No

Board of Directors	Proposal Contents and Handling	An issue as set forth under Article 14-3 of Securities and Exchange Act	Independent Directors Object or Reserve Their Opinions
2 nd Meeting 2023/06/20	<p>governance officer (to be concurrently served by the accounting officer).</p> <p>2. The signing of the "Agreement on Transfer of Ownership of Yangmei Plant Power Equipment and Facilities" (Due to Directors Yin, Chung-Yao and Lee, Chih-Hung as the directors of Ruentex Industries and Director Chen, Chih-Chuan as the representative of Huei Hong Investment (an institutional director of the Company and Ruentex Industries), they declared a conflict of interest and recused themselves).</p>		
Independent directors' opinions: N/A			
The Company's Handling of the Independent Directors' Opinions: N/A.			
<p>Resolution:</p> <p>1. After the Chairperson's consultation with the directors present, the motion was passed without any objection.</p> <p>2. With the exception of the Director (Chairman Lee, Chih-Hung and Directors Yin, Chung-Yao and Chen, Chih-Chuan), who were recused from the discussion and vote in accordance with the regulations, all the directors present were consulted by the acting Chairperson, Director Mo, Wei-Han, and the motion was passed without objection.</p>			
13 th Term 3 rd Meeting 2023/08/11	<p>1. Remuneration to the 13th Board of Directors (excluding independent directors) of the Company (due to Chairman Lee, Chih-Hung, Director Mo, Wei-Han, Director Yin, Chung-Yao, Director Chang, Kun-Long, Director Chen, Chih-Chuan, and Director Lin, Chin-Szu serving as the Company's corporate director representatives, recused from declaration of interest for being a related party).</p> <p>2. Remuneration to the 13th Round of the Company's independent directors (as Independent Directors Shen, Xiao-Ling, Independent Directors Zheng, Hui-Bin, and Independent Directors Lin, Kuo-Feng recused from declaration of interest for being a related party).</p> <p>3. Proposal for the remuneration for the members of the functional committees (the 2nd Audit Committee and the 5th term Remuneration Committee) of the Company for the meeting (as Independent Director Shen, Xiao-Ling, Independent Director Zheng, Hui-Bin, and Independent Director Lin, Kuo-Feng were concerned, and recused from declaration of interest for being a related party).</p> <p>4. Proposal for the amendments to the Company's "Internal Control System"</p>	Yes	No
Independent directors' opinions: N/A			
The Company's Handling of the Independent Directors' Opinions: N/A.			

Board of Directors	Proposal Contents and Handling	An issue as set forth under Article 14-3 of Securities and Exchange Act	Independent Directors Object or Reserve Their Opinions
	<p>Resolution:</p> <p>1. With the exception of the Director (Chairman Lee, Chih-Hung and Directors Mo, Wei-Han, Yin, Chung-Yao, Chang, Kun-Long, Chen, Chih-Chuan, Lin, Chin-Szu, Zheng, Hui-Bin), who were recused from the discussion and vote in accordance with the regulations, all the directors present were consulted by the acting Chairperson, Director Mo, Wei-Han, and the motion was passed without objection.</p> <p>2. With the exception of the Directors (Independent Directors Shen, Xiao-Ling, Zheng, Hui-Bin, Lin, Kuo-Feng), who were recused from the discussion and vote in accordance with the regulations, all the directors present were consulted by the acting Chairperson, and the motion was passed without objection.</p> <p>3. With the exception of the Directors (Independent Directors Shen, Xiao-Ling, Zheng, Hui-Bin, Lin, Kuo-Feng), who were recused from the discussion and vote in accordance with the regulations, all the directors present were consulted by the acting Chairperson, and the motion was passed without objection.</p> <p>4. After the Chairperson's consultation with the directors present, the motion was passed without any objection.</p>		
13 th Term 4 th Meeting 2023/11/07	1. Proposal for the amendments to the Company's "Stock Affairs Units Internal Control System"	Yes	No
	Independent directors' opinions: N/A		
	The Company's Handling of the Independent Directors' Opinions: N/A.		
	<p>Resolution:</p> <p>1. After the Chairperson's consultation with the directors present, the motion was passed without any objection.</p>		
13 th Term 5 th Meeting 2023/12/26	1. Proposal of the 2024 CPA remuneration	Yes	No
	Independent directors' opinions: N/A		
	The Company's Handling of the Independent Directors' Opinions: N/A.		
	<p>Resolution:</p> <p>1. After the Chairperson's consultation with the directors present, the motion was passed without any objection.</p>		
13 th Term 6 th Meeting 2024/02/02	<p>1. The Company's Managers' Performance Bonus for the Year 2023 (Directors Mo, Wei-Han and Chang, Kun-Long were recused due to a conflict of interest as the President and the Vice President, respectively.)</p> <p>2. The Company's Managers' Employee Remuneration for the Year 2022 (Directors Mo, Wei-Han and Chang, Kun-Long were recused due to a conflict of interest as the President and the Vice President, respectively.)</p>	Yes	No
	Independent directors' opinions: N/A		
	The Company's Handling of the Independent Directors' Opinions: N/A.		
	<p>Resolution:</p> <p>1.2. With the exception of Directors Mo, Wei-Han and Chang, Kun-Long, who were recused from the discussion and vote in accordance with the regulations, the Chairperson consulted the other directors present, and the motion was passed without objection.</p>		
	13 th Term	1. In line with the distribution of the profit for 2023,	Yes	No

Board of Directors	Proposal Contents and Handling	An issue as set forth under Article 14-3 of Securities and Exchange Act	Independent Directors Object or Reserve Their Opinions
7 th Meeting 2024/03/13	the Company proposes a capital increase from the profit for issuance of new shares. 2. Amendment to the “Articles of Incorporation”.		
	Independent directors’ opinions: N/A		
	The Company’s Handling of the Independent Directors’ Opinions: N/A.		
	Resolution: 1.2. After the Chairperson’s consultation with the directors present, the motion was passed without any objection and submitted to the shareholders’ meeting on May 16, 2024 for discussion.		

(II) Other Board of Directors resolutions to which objections or qualified opinions for the record or in writing are expressed by independent directors: NA

II. A fact of implementation where an independent director avoids from conflict of interests, please expressly state the name of that director, contents of motion, cause for avoidance from conflict of interests and participation in the voting process: Please refer to the description in the preceding paragraph.

III. Status of Board Evaluation

Asses sment Cycle	Assessment Duration	Assessment Scope	Assessment Method	Assessment Contents
Once a year	2023/01/01 to 2023/12/31	Performance evaluation of the Board of Directors, individual board members, Audit Committee, and Remuneration Committee	The Board of Directors, the Audit Committee, and the Remuneration Committee's internal self-evaluation, and the board members' self-evaluation are used for performance evaluation.	As detailed below
<p>Contents of assessment</p> <p>(1) Evaluation into performance by the Board of Directors: Including: A. Degree of participation in the Company’s business operation. B. Quality in upgrading the Board of Directors’ policymaking process. C. The composition and structure of the Board of Directors; D. Election and continuing education of directors. E. Internal control system, five major aspects in total.</p> <p>(2) Evaluation into performance by individual members of the Board: Including: A. The mastery of the goals and targets of the Company; B. Awareness of a director’s duties and responsibilities; C. Extent of participation in the Company’s business operation; D. Management and communications into internal relationship; E. Professionalism and continuing education of directors. B. Internal control system, six aspects in total.</p> <p>(3) Evaluation into performance by functional committee: Including: A Extent of participation in the Company’s business operation; B. Awareness of the functional committee’s duties and responsibilities; C. Quality of policymaking process by the functional committee; D. Composition of the functional committee and election of the Committee members; E. Internal control system, five aspects in total.</p>				

IV. Targets (e.g. establishment of an Audit Committee and enhancement of information transparency) for the Board of Directors competency improvement in the current and previous years and performance evaluation:

1. Targets for strengthening of the functions of the Board:

(1) Implement corporate governance and improve information transparency:

- A. The Company has established the "Rules of Procedures for Board Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies", and the "Standard Operating Procedures for Handling Directors' Requests" on June 14, 2019 for compliance. The Company also established the "Rules Governing the Evaluation of the Performance of the Board of Directors" on August 12, 2019 to evaluate the performance of the Board of Directors once a year to enhance the effectiveness of the Board of Directors. All independent directors are professionals in finance or corporate business, who can effectively supervise business execution and reduce operational risks.
- B. The Company has established the "Internal Material Information Processing SOP" to ensure the accuracy, integrity, and timeliness of disclosure of material information. The Board of Directors has also designated the "Accounting Department" as the unit responsible for handling material internal information, implementing the spokesperson system, the spokesperson or deputy spokesperson uploading material financial information to the Market Observation Post System (MOPS) and the corporate website in a timely manner to maintain the rights and interests of shareholders.
- C. The Company sets up an "Interested Party Section" on the corporate website: It includes Corporate Governance, Financial Information, Stock Affairs, Material Information, Contact Window, etc. The Company actively establishes communication channels with interested parties, so as to increase the transparency of external information.
- D. Each annual meeting of shareholders is scheduled to accept proposals from shareholders. Shareholders who are entitled to propose may apply to the Company during the acceptance period, and the Company will convene a Board of Directors' meeting to review the proposals.

(2) Directors' Continuing Education:

The Company arranges courses for directors to obtain information on corporate governance and relevant laws and regulations of the competent authorities, and to continuously enrich their knowledge in order to maintain their core values and professional strengths and capabilities.

The directors of the Company shall pursue further education in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies".

Title	Name	Date	Course details	Number of Class Hours	Total hours
Chairman	Representative of Ruentex Development: Lee, Chih-Hung	2023/04/28	Professional Course on Corporate Governance and Securities Regulations	3	6
		2023/10/13	2023 Insider Trading Prevention Seminar	3	
Director	Yingjia Investment Co., Ltd. Representative: Mo, Wei-Han	2023/04/28	Professional Course on Corporate Governance and Securities Regulations	3	9
		2023/10/13	2023 Insider Trading Prevention Seminar	3	
		2023/12/18	Corporate Governance and Securities Regulation & CFC System for Controlled Foreign Enterprises	3	
Director	Representative of Ruen Hua Dyeing & Weaving Co., Ltd.: Yin, Chung-Yao	2023/07/04	Cathay Pacific Sustainable Finance & Climate Change 2023 Summit Forum	6	6
Director	Representative of Ruentex Development: Chang, Kun-Long	2023/04/27	Sustainable Development Action Plan Promotion Conference for TWSE/TPEX-listed Companies	3	9
		2023/10/13	2023 Insider Trading Prevention Seminar	3	
		2023/11/15	2023 Presentation of Insider Trading on Equity Transaction Related Laws and Compliance	3	
Director	Huei Hong Investment Co., Ltd. Representative: Chen, Chih-Chuan	2023/04/28	Professional Course on Corporate Governance and Securities Regulations	3	6
		2023/05/11	Trends and Challenges of Information Security Governance	3	
Director	Representative of Ruentex Development: Lin, Chin-Szu	2023/08/17	Net Zero Sustainable Talent Incubation Course "Northern Taiwan" - Enterprise low-carbon transformation strategies	9	12
		2023/10/20	2023 Insider Trading Prevention Seminar	3	
Independence Director	Shen, Xiao-Ling	2023/04/28	Professional Course on Corporate Governance and Securities Regulations	3	6
		2023/10/24	AI applications, legal, and auditing	3	
Independence Director	Zheng, Hui-Bin	2023/04/28	Professional Course on Corporate Governance and Securities Regulations	3	9
		2023/09/04	The 14 th Taipei Corporate Governance Forum	6	
Independence Director	Lin, Kuo-Feng	2023/04/27	Sustainable Development Action Plan Promotion Conference for TWSE/TPEX-listed Companies	3	12
		2023/04/28	Professional Course on Corporate Governance and Securities Regulations	3	
		2023/10/02	Legal Issues Concerning the Management of Insider Shareholding and Trading of Shares	3	
		2023/10/06	How the board of directors monitors ESG risks and builds sustainable competitiveness	3	

2. Implementation assessment:

(1) Communication Policies Between the Independent Directors and the Internal Audit Head and the CPA

- A. The independent directors and the CPAs meet at least once a year. The CPAs are also present at the Audit Committee when the quarterly financial reports are submitted to the Audit Committee. The CPAs report to the independent directors on the financial condition of the Company, the financial and overall operations of the subsidiaries, and the internal control audit status. The CPAs also communicate with the independent directors on whether there are any significant adjustments to the financial statements or amendments to laws and regulations that would affect accounting. A meeting may be convened at any time in the case of material irregularities.
- B. The internal audit head and the independent directors meet at least once a year to report on the status of the Company's internal audit and internal control operations. A meeting may be convened at any time in the case of material irregularities.

(2) Communications between the independent directors and CPAs and chief auditors

Date	Communication highlights and results of the meetings below where the chief internal auditor attended in a non-voting capacity
March 14, 2023	1.The Corporate Governance Unit Communication Meeting was convened before the "Audit Committee" CPA communicated with the corporate governance unit on matters to be communicated at the current phase, and explained to the independent directors the key audit issues, the entries of significant adjustment, the materiality principle, and that the design and implementation of the internal control system that are effective and free of significant deficiencies. 2. The CPA responded to the questions raised by the independent directors and received a letter from the independent directors stating that they understood and had no further comments on the communication.
2023/5/11	The CPA attended the "Audit Committee" to explain to the independent directors the results of the Q1 consolidated financial statements review and whether there were any significant adjustments to the financial statement entries.
2023/8/11	The CPA attended the "Audit Committee" to explain to the independent directors the results of the Q2 consolidated financial statements review and whether there were any significant adjustments to the financial statement entries.
2023/11/7	The CPA attended the "Audit Committee" to explain to the independent directors the results of the Q3 consolidated financial statements review and whether there were any significant adjustments to the financial statement entries.
2023/12/26	The CPA attends the "Audit Committee" meeting to explain the audit plan and key audit matters to the independent directors. The CPA responds to the questions raised by the independent directors and provides explanations.

2024/3/13	<p>1. The Corporate Governance Unit Communication Meeting was convened, CPA communicated with the corporate governance unit on matters to be communicated at the current phase, and explained to the independent directors the key audit issues, the entries of significant adjustment, the materiality principle, and that the design and implementation of the internal control system that are effective and free of significant deficiencies.</p> <p>2. The CPA responded to the questions raised by the independent directors and received a letter from the independent directors stating that they understood and had no further comments on the communication.</p>
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(3) Communications Between the Independent Directors and the Internal Audit Head:

Date	Main Points in Communication and Results
March 14, 2023	The internal audit head of the "Audit Committee" reported on the tracking of audit deficiencies, responded to questions from the independent directors on the content of the audit report, and reported the results of communication to the Board of Directors.
2023/5/11	The internal audit head attended the "Audit Committee" to explain to the independent directors the audit results of the Q1 audit report and improvement of deficiencies.
2023/8/11	The internal audit head attended the "Audit Committee" to explain to the independent directors the audit results of the Q2 audit report and improvement of deficiencies.
2023/11/7	The internal audit head attended the "Audit Committee" to explain to the independent directors the audit results of the Q3 audit report and improvement of deficiencies.
2023/12/26	The internal audit head attended the "Audit Committee", reported on the 2024 internal audit plan, responded to the independent directors' questions on the audit plan, and presented the results of the communication to the Board of Directors.
2024/2/2	The internal audit head attended the "Audit Committee" to explain to the independent directors the audit results of the Q4 audit report and improvement of deficiencies.
2024/3/13	The internal audit head of the "Audit Committee" reported on the tracking of audit deficiencies, responded to questions from the independent directors on the content of the audit report, and reported the results of communication to the Board of Directors.

(4) Audit Committee Communications:

Audit Committee	Proposal Contents and Handling	An issue as set forth under Article 14-5 of Securities and Exchange Act	Matters not passed by the Audit Committee but approved by over two-thirds of all directors.
1 st Term 20 th Meeting January 12, 2023	1. The Company's Consolidated Internal Audit Report of Q4 2022	No	No
	Audit Committee's opinion: None.		
	The Company's handling of the opinions of the Audit Committee Members: None.		
	Resolution: Approved by all members present and to be reported to the Board meeting.		
1 st Term 21 st Meeting March 14, 2023	1. The Company's new joint guarantee for the mining land leased by Ruentex Materials Co., Ltd.	Yes	No
	2. Distribution of the 2022 employees' remuneration		
	3. The Company's 2022 Business Report and Financial Statements		
	4. Proposal for the 2022 Statement of Internal Control System of the Company		
5. Distribution of Earnings for 2022			
6. Amendments to the Rules of Procedure for Shareholders' Meetings			
7. Lifting of the non-compete restrictions on newly elected directors			
8. Proposal to approve the provision of non-certification services by the CPAs, their firm, and affiliates of the firm to the Company and its subsidiaries.			
Audit Committee's opinion: None.			
The Company's handling of the opinions of the Audit Committee Members: None.			
Resolution: Approved by all members present and to be reported to the Board meeting.			
1 st Term The 22 nd Meeting 2023/05/11	1. The Company's Consolidated Internal Audit Report of Q1 2023	Yes	No
	2. The Company's Consolidated Financial Report of Q1 of 2023		
	3. Amendments to the Company's "Internal Control System" and "Internal Audit Act Enforcement Rules."		
	Audit Committee's opinion: None.		
The Company's handling of the opinions of the Audit Committee Members: None.			
Resolution: 1. Approved by all members present and to be reported to the Board meeting.			
Resolution: 2.3. Approved by all members present and to be reported to the Board meeting.			
2 nd Term 1 st Meeting 2023/05/31	1. Nomination of the convener of the 2 nd Audit Committee	No	No
	Audit Committee's opinion: None.		
	The Company's handling of the opinions of the Audit Committee Members: None.		
Resolution: The Board of Directors unanimously recommended Shen, Xiao-Ling as the convener of the 2 nd Audit Committee.			
2 nd Term 2 nd Meeting 2023/06/20	1. Discussion of the establishment of the "Chief Governance Officer"	Yes	No
	2. Approved the Company's "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises" of the Company.		
	3. Signing of the "Agreement on Transfer of Ownership of Electric Power Equipment and Facilities in Yangmei Plant" of the Company		
	Audit Committee's opinion: None.		
The Company's handling of the opinions of the Audit Committee Members: None.			
Resolution: Approved by all members present and to be reported to the Board meeting.			

Audit Committee	Proposal Contents and Handling	An issue as set forth under Article 14-5 of Securities and Exchange Act	Matters not passed by the Audit Committee but approved by over two-thirds of all directors.	
2 nd Term 3 rd Meeting 2023/08/11	1. The Company's Consolidated Internal Audit Report of Q2 2023 2. The Company's Consolidated Financial Report of Q2 of 2023 3. Proposal for the amendments to the Company's "Internal Control System"	Yes	No	
	Audit Committee's opinion: None.			
	The Company's handling of the opinions of the Audit Committee Members: None.			
	Resolution: 1. Approved by all members present and to be reported to the Board meeting. Resolution: 2.3. Approved by all members present and to be reported to the Board meeting.			
2 nd Term 4 th Meeting 2023/11/07	1. The Company's Consolidated Internal Audit Report of Q3 2023 2. The Company's Consolidated Financial Report of Q3 of 2023	No	No	
	Audit Committee's opinion: None.			
	The Company's handling of the opinions of the Audit Committee Members: None.			
	Resolution: 1. Approved by all members present and to be reported to the Board meeting. Resolution: 2. Approved by all members present and to be reported to the Board meeting.			
2 nd Term 5 th Meeting 2023/12/26	1. Proposal of the Company's 2024 internal audit program 2. The Company's 2024 business plan 3. Amendments to the "Approval Authority" of the Company. 4. Amendments to the Company's "Corporate Governance Best Practice Principles" and "Sustainable Development Best Practice Principles" 5. Proposal for the Company's regular evaluation of the independence of CPAs 6. Proposal of the 2024 CPA remuneration	Yes	No	
	Audit Committee's opinion: None.			
	The Company's handling of the opinions of the Audit Committee Members: None.			
	Resolution: Approved by all members present and to be reported to the Board meeting.			
2 nd Term 6 th Meeting 2024/02/02	1. The Company's Consolidated Internal Audit Report of Q4 2023	No	No	
	Audit Committee's opinion: None.			
	The Company's handling of the opinions of the Audit Committee Members: None.			
	Resolution: Approved by all members present and to be reported to the Board meeting.			
2 nd Term 7 th Meeting 2024/03/13	1. Distribution of the 2023 employees' remuneration 2. The Company's 2023 Business Report and Financial Statements 3. Proposal for the 2023 Statement of Internal Control System of the Company 4. Distribution of Earnings for 2023 5. In line with the distribution of the profit for 2023, the Company proposes a capital increase from the profit for issuance of new shares. 6. Amendment to the "Articles of Incorporation".	Yes	No	
	Audit Committee's opinion: None.			
	The Company's handling of the opinions of the Audit Committee Members: None.			
	Resolution: Approved by all members present and to be reported to the Board meeting.			

- (5) The Board of Directors approved the amendments to the "Ethical Corporate Management Best Practice Principles" on December 26, 2019 and the amendments to the "Procedures for Ethical Management and Guidelines for Conduct" on March 6, 2020 to enhance corporate governance, carry out the corporate

culture, and submit the above amendments to the shareholders' meeting. As officially resolved on December 26, 2023, the Company duly amended the "Corporate Governance Best-Practice Principles" in compliance with the corporate governance blueprints of the up-to-date version further in coordination with the latest amendment to the Securities and Exchange Act and Company Act to enhance corporate governance.

- (6) On February 3, 2016, the Company established the "Regulations Governing Remuneration to Employees", which stipulates that, every year, the Company shall submit the employee remuneration distribution for the previous year to the general meeting of shareholders in the following year. The Company also occasionally amends the "Salary Management Regulations" and "Bonus Regulations", so that a clear relation between employee contribution and bonus can be established.
- (7) The Company adheres to the corporate culture of "Enriching the community and providing peace of mind to the people" and upholds the principle of transparency in its operations by announcing important resolutions on the Market Observation Post System (MOPS) immediately after Board meetings to ensure the interests of shareholders.

(II) Audit Committee Meeting Status:

1. Audit Committee Meeting Status:

The Company's shareholders elect three independent directors at their regular meetings to form the Audit Committee. The Audit Committee meets at least once a quarter and is responsible for the proper presentation of the Company's financial statements, the appointment (dismissal), independence, and performance of the certified public accountants, the effective implementation of the Company's internal controls, the Company's compliance with relevant laws and regulations, and the control of the Company's existing or potential risks. Its primary duties are as follows:

1. Stipulation or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.

2. Appraisal of internal control system effectiveness.

The Audit Committee evaluates the effectiveness of the Company's internal control system, including approval authority, completeness, risk management, etc. (the scope includes but is not limited to finance, operations, research and development, information security, legal compliance, and operations in relation to all stakeholders). The Audit Committee deemed that the Company's risk management and internal control systems were effective, and the Company adopted necessary control mechanisms to supervise and correct noncompliance or weaknesses with opportunities for improvement.

3. Formulate or revise the handling procedures for the acquisition or disposal of assets, engagement in derivative transactions, loaning of funds to others, provisions of endorsement or guarantee to others, and other significant financial or business actions in accordance with the provisions in Article 36-1.

4. Matters involving the personal interest of directors.

5. Transactions on material assets or derivative commodities.

6. Material monetary loans, endorsements, or provision of guarantees.

7. The offer, issuance, or private placement of securities of equity nature.

8. The appointment, discharge, or remuneration of certified public accountants.

9. The appointment and discharge of the head of finance, accounting, or internal audit.

10. The annual financial statements signed or stamped by the Chairman, managerial officers, and chief accounting officer and the quarterly financial statements signed or stamped by the Chairman, managerial officers, and chief accounting officer, and reviewed by CPAs.

11. Business report, proposal for profit distribution or loss make-up.

12. Other significant matters stipulated by the Company or competent authorities.

In the most recent fiscal year (2023), the Audit Committee convened a total of 8 meetings (A) which were attended by independent directors as enumerated below:

Title	Name	Actual Attendances (B)	Attendances by Proxy	Actual Attendance Rate (%) (B/A)	Remark
Independent Director	Shen, Xiao-Ling	8	0	100%	Re-elected on May 31, 2023
Independent Director	Zheng, Hui-Bin	8	0	100%	Re-elected on May 31, 2023
Independent	Lin, Kuo-	8	0	100%	Re-elected on

Director	Feng				May 31, 2023
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Other Information Required for Disclosure:

I. Whenever one among circumstances enumerated below is found in the Audit Committee in its the business operation, the date, term, contents of motion, the objections, qualified opinions, contents of significant proposals of an independent director (s), result of decision resolved by the Audit Committee and the Company's measures in response to the opinions of the Audit Committee shall be expressly accounted:

(I) An issue as set forth under Article 14-5 of Securities and Exchange Act. (Please refer to p. 84~86 of this Annual Report)

(II) Matters other than the above unapproved by the Audit Committee but resolved by over two thirds of all directors: None.

II. When there is avoidance of conflicts of interest by an independent director, specify the name of that independent director, the involved proposal(s), the cause(s) of the avoidance of conflicts of interest, and the participation in voting of that director: None.

III. Communication between independent directors and the internal chief auditor and accountant (shall include communication on the Company's material financial and sales affairs, including the topics, methods, and results of communication): (Please refer to p.82~83 of this Annual Report)

(III) The state of the Company’s implementation of corporate governance, any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance:

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles
	Yes	No	Summary Description	
I. Has the Company defined and disclosed its governance best practice principles in accordance with the Corporate Governance Best Practice Principles?	✓		The Company had enacted the "Corporate Governance Best-Practice Principles" which were duly resolved by the Board of Directors on November 13, 2014. The "Corporate Governance Best-Practice Principles" were amended and approved by the Board meeting on December 26, 2023 in compliance with the corporate governance blueprints of the up-to-date version. The relevant contents have been duly amended by the Board of Directors in coordination with the updated Securities and Exchange Act and Company Act to enhance corporate governance with disclosure on the Market Observation Post System (MOPS) and the Company’s website.	N/A.
II. Structure of Shareholdings and Shareholder’s Equity	✓		(I) The Company has established the "Procedures for Handling Material Inside Information" and designated the Accounting Department as the dedicated unit to ensure that the disclosure of internal material information is accurate, complete, implemented in a timely manner, and in accordance with the procedures. The Company handles shareholders’ suggestions and questions through its spokesperson, deputy spokesperson, and the Company’s stock affairs team. The Company has also established a "Stakeholder Area" on its website to distinguish stakeholders as investors, customers, and suppliers, disclosing their important concerns, communication	N/A.
(I) Does the Company establish and implement internal procedures for handling shareholder suggestions, questions, disputes, and litigation?	✓			N/A.
(II) Does the Company keep an up-to-date list of its dominant shareholders and the parties with	✓			N/A.

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles
	Yes	No	Summary Description	
<p>ultimate control over its dominant shareholders?</p> <p>(III) Does the Company establish and implement a risk control mechanism and firewall between its affiliates?</p> <p>(IV) Does the Company establish internal rules to prevent insider trading using undisclosed information?</p>	<p>✓</p>		<p>channels, and responses on the website.</p> <p>II) The Company’s stock affairs personnel is responsible for grasping the lists of directors, managers, and major shareholders with more than 10% of shareholdings, and the shareholdings thereof, at any time. In addition, the Company discloses the names of shareholders holding 5% or more of the shares in its quarterly financial reports.</p> <p>(III) The Company and its affiliates operate independently and have established the "Supervisory Rules for Subsidiaries", "Operating Procedures for Specified Persons, Group Companies, and Related Party Transactions" , and "Internal Control System"; The Board of Directors approved the establishment of the "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises" on June 20, 2023.</p> <p>(IV) The Company has established the “Procedures for Handling Material Inside Information”, “Procedures for Ethical Management and Guidelines for Conduct”, “Employee Code of Conduct” and other relevant internal procedures . As required by Article 10 of the “Corporate Governance Best Practice Principles”, it shall not trade its shares for 30 days prior to the release of its annual financial statements and 15 days prior to the release of its quarterly financial statements, prohibit insiders from using undisclosed information in the market to trade securities or punish them in violation of regulations,</p>	<p>N/A.</p>

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles
	Yes	No	Summary Description	
			and strictly abide by the Securities and Exchange Act and related laws and regulations.	
<p>III. Organization and Functions of the Board of Directors</p> <p>I) Will the Board of Directors work out a diversification policy, set concrete targets, and put the same into hands-on implementation?</p> <p>II) In addition to a Remuneration Committee and an Audit Committee established by law, does the Company voluntarily establish other functional committees?</p> <p>(III) Has the Company enacted regulations to evaluate the Board of Directors' performance and other</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(一) 1. The Company's Board of Directors has approved the establishment of Chapter 3 "Strengthening the Functions of the Board of Directors" of the "Corporate Governance Best Practice Principles", and has established a policy for diversifying. The nomination and election of Board members are conducted in accordance with the Articles of Incorporation, adopting a candidate nomination system where candidates' education levels, professional experiences, and credentials are taken into account. It is conducted according to the "Rules for Election of Directors" and the "Corporate Governance Best Practice Principles" to ensure the diversity and independence of the Board members. The list of the Company's 9 directors for this term includes one female member. The members of the Board of Directors specialize in management, leadership, industry expertise, finance and accounting, and law. Please refer to p.s 34-37 of this year's report for diversity policy for individual Board members and implementation of specific management goals.</p> <p>2. The Board of Directors' Diversity Policy and its detailed implementation status have been disclosed on the Company's website.</p> <p>(II) The Company has established the Remuneration Committee and the Audit Committee. It is expected to establish a functional committee other than the Audit Committee at the level of the statutory "Risk Management Committee" by the end of 2024 to supervise risk management, and formulate the risk management policies approved by the Board of Directors and</p>	<p>N/A.</p> <p>N/A.</p> <p>N/A.</p> <p>N/A.</p>

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles
	Yes	No	Summary Description	
<p>assessment methods to carry out performance evaluation periodically every year and report the performance evaluation result to the Board of Directors to be utilized as the handy reference to determine the remunerations for individual directors and for the nomination process?</p> <p>(IV) Does the Company regularly evaluate the independence of certified public accountants?</p>			<p>procedures, and disclose the risk management organizational structure, risk management procedures and their implementation on the Company's website, and report to the Board of Directors at least once a year.</p> <p>(III) The Company has established the Board of Directors' performance evaluation method as approved by the Board of Directors on August 12, 2019, and conducts regular performance evaluations of the Board of Directors every year to review and makes improvements to enhance the effectiveness of the Board of Directors, and submits the evaluation results to the Board of Directors. The results of the performance evaluation of the Board of Directors for 2023 were submitted to the Board of Directors on February 2, 2024, and will be used as reference for individual director's salary compensation and nomination for reappointment. The results of the Board of Directors' performance evaluation are available on the Company's website.</p> <p>(IV) The Company held an Audit Committee meeting on December 26, 2023 to discuss the independence and suitability of CPAs and the remuneration for 2024. The audit used a combination of the audit quality indicator (AQI) information submitted by the CPAs and other non-quantitative indicators. that the evaluation results are suitable and submitted to the Board of Directors for resolution on the same day. The evaluation items in the most recent year included 13 indicators in five major aspects, namely professionalism, quality control, independence, supervision, and innovation ability; other non-quantitative indicators were mainly to evaluate whether accountants have complied with the provisions of the Certified Public Accountant Act and the Statement of</p>	

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles																		
	Yes	No	Summary Description																			
			<p>Auditing Standards .</p> <p>In addition, the Company evaluates the independence of the CPAs annually (once a year). The Company has obtained through the stock affairs unit that the CPAs do not hold the Company's shares and are concurrently serving as the Company's senior executives, and the CPAs have issued a "Declaration of Independence" to certify The results of the independent auditor's assessment that the CPAs complied with the independence assessment standards and were independent are disclosed as follows. The assessment results for the most recent two years were reported to the Board of Directors on December 28, 2022 and December 26, 2023 .</p> <p>Note 1: Criteria to evaluate the certified public accountants in attribute of independence.</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Assessment Contents</th> <th>Assessment Results</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Neither the CPAs nor the Audit Team members hold the stock of this Company group.</td> <td>Is Independent</td> </tr> <tr> <td>2</td> <td>Neither the CPAs nor the professionals are a director, supervisor, or officer of this Company.</td> <td>Is Independent</td> </tr> <tr> <td>3</td> <td>There is no cooperation between the CPA firm and this Company.</td> <td>Is Independent</td> </tr> <tr> <td>4</td> <td>There is no litigation between the CPA firm and this Company.</td> <td>Is Independent</td> </tr> <tr> <td>5</td> <td>No report of non-replacement of CPAs for seven consecutive years or discipline of CPAs that damages independence.</td> <td>Is Independent</td> </tr> </tbody> </table>	Item	Assessment Contents	Assessment Results	1	Neither the CPAs nor the Audit Team members hold the stock of this Company group.	Is Independent	2	Neither the CPAs nor the professionals are a director, supervisor, or officer of this Company.	Is Independent	3	There is no cooperation between the CPA firm and this Company.	Is Independent	4	There is no litigation between the CPA firm and this Company.	Is Independent	5	No report of non-replacement of CPAs for seven consecutive years or discipline of CPAs that damages independence.	Is Independent	
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Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles
	Yes	No	Summary Description	
IV. Has the Company has appointed an appropriate number of competent corporate governance personnel and designated a corporate governance officer to be responsible for corporate governance affairs (including but not limited to providing directors and supervisors with the materials required for performance of their duties, assisting directors and supervisors with compliance, handling matters related to board meetings and the shareholders' meetings, and preparing minutes of board meetings and shareholders' meetings)?	✓		In June 2023, the Company approved the appointment of Chao, Tsun-Kuo, the Vice President of Accounting, to be responsible for corporate governance affairs, protect shareholders' rights and interests, and strengthen the functions of the Board of Directors. Vice President Chao, Tsun-Kuo has more than seven years of experience in financial and accounting management of public companies. ■The corporate governance unit is responsible for providing information necessary for directors and independent directors to perform their duties, assisting directors and independent directors in complying with laws and regulations, conducting meetings of the Board of Directors and shareholders' meetings in accordance with the law, supervising the implementation and reviewing its effectiveness, and reporting its implementation to the Board of Directors in a timely manner, please refer to Note 2 and p. 97 of this report.	N/A.
V. Does the Company establish channels for communication with interested parties (including, without limitation, shareholders, employees, customers, and suppliers), set up a interested party section on the corporate website, and respond appropriately to material CSR issues that concern shareholders?	✓		With respect for stakeholders' rights and interest, the identify our stakeholders, learn about their reasonable expectations and needs, and properly respond to important corporate social responsibility issues about which they are concerned. Each department is responsible for communicating with their respective stakeholders and reporting to the Board of Directors at least once a year. The Company's stakeholders include employees, shareholders, clients, suppliers, social organizations, and government agencies, and their respective issues of concerns, communication channels, and our response methods are detailed on the company website. We have also set up an "Interested Party Section" on the corporate website: It includes Corporate Governance,	N/A.

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles
	Yes	No	Summary Description	
			Financial Information, Stock Affairs, Material Information, Contact Window, etc. The Company actively establishes communication channels with interested parties.	
VI. Does the Company appoint a professional stock affairs agent to handle shareholder affairs?		✓	The shareholders' meeting is conducted by the Company's internal stock unit, and the related matters are handled in accordance with the "Regulations Governing Stock Affairs" and the "Standard Rules for Internal Control Systems of Stock Affairs Units".	Implemented with respect to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."
VII. Information Disclosure (一) Does the Company set up a website to disclose its financial and governance information?	✓		(I) The company website has been established in both Chinese and English disclosing company history, introduction of products manufactured or services provided, organizational structure and management team (including the introduction of management team's education and experience), quarterly financial reports, relevant information on shareholders' meetings (including annual reports), meeting notice, meeting handbook, and minutes, etc.), the Articles of Incorporation, the Company's Articles of Incorporation, the Company's corporate governance-related regulations and their implementation, the ESG section, and business-related information. (II) The Company's Accounting Department is responsible for collecting and disclosing company information, and we have a spokesperson and an deputy spokesperson as well as an investor relations contact point in place. We regularly or irregularly disclose the Company's financial information on the Market Observation Post System (MOPS). Meanwhile, the "Interested Party Section" is available in both Chinese and English languages, to fully disclose our financial business, investor conferences (including materials for investor conferences), and corporate	N/A.
(二) Does the Company try other means to disclose information (such as setting up an English website, designating personnel to gather and disclose organizational information, effectively implementing the spokesperson system, and posting investor conferences on the corporate website)?	✓			N/A.
(III) Does the Company announce and report its		✓		The Company has not yet achieved the requirement for filing the annual financial report within two months after the end of each

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles
	Yes	No	Summary Description	
financial statements within two months after the end of a fiscal year, and publish and declare in advance the financial statements of Q1, Q2, and Q3 and status of monthly operations?			governance information as a reference for shareholders and the general public. (III) We complete reporting the quarterly and annual financial statements by the time-limit. However, we are still unable to advance the announcement and reporting of the annual financial statements within two months after the end of a fiscal year. In addition, we complete reporting the monthly business report by the time-limit.	fiscal year
VIII. Is there any other material information (including, without limitation, employee rights, employee care, investor relations, supplier relations, interested party rights, further education for directors and supervisors, the status of implementation of the risk management policy and risk measurement measures, the status of implementation of the customer policy, and the purchase of liability insurance for directors and supervisors), that will help interested parties understand governance practices at the Company?	✓		Please refer to ■Note 3 and p. 97 of this report for other material information that helps understand the Company's governance practices.	N/A.

■Note 2 The operation of the corporate governance unit is as follows:

1. Assistance for independent directors and directors in carrying out their duties, provision of the required data, and arrangement of further education for directors:
 - (1) Assist the board members in understanding the latest amendments and development of laws and regulations relating to corporate governance.
 - (2) Arrange interviews with the CPAs for independent directors and the internal audit head to understand the Company's accounting and internal control affairs and communications. Please refer to p.82-83 of the annual report.
 - (3) Assist with further education planning and course arrangement for independent directors and general directors based on the education and experience of individual directors. Please refer to p.81 of the Annual Report.
2. Assist the Board of Directors and shareholders in the procedures and resolutions of compliance matters . The corporate governance officer regularly reports to the Board of Directors whether the qualifications of independent directors at the time of nomination, election and during the term of office are in compliance with relevant laws and regulations .
3. Establishment of the Board and Audit Committee's meeting agenda and notification of directors seven days in advance; convening the meetings and provision of related meeting data; reminding the avoidance of conflicts of interest in related proposals; and production of the minutes within 20 days after a Board meeting. A total of 8 Audit Committee meetings and 8 Board of Directors meetings were held in 2023 .
4. Registration of the meeting of shareholders before the meeting date by law; production of the meeting notice, meeting handbook, and meeting minutes within the statutory time limit; and registration for a change after the amendment of the articles of incorporation or board election.
5. Holding at least one investors conference a year to maintain investor relations, provide investors with sufficient information to determine the enterprise's reasonable capital market value, and maintain the rights and interests of shareholders. In the investors conference held on November 29, 2023 at the Information Display Center on the 1st floor of the Taiwan Stock Exchange, the Company explained its recent operating results and future objectives. Relevant information has been uploaded to the Market Observation Post System (MOPS) and the Company's website.

■Note 3

1. Employee Rights and Benefits:

- (I) We handle the appointment, dismissal, transfer, profit sharing from earnings, reward, punishment, training, and education of employees with respect to the Labor and Standards Act and related provisions of our internal management and control systems to protect the rights and benefits of employees.
- (II) The Company's labor policy is based on the principle of open communication, creating a win-win situation for enterprises and employees through the following measures.
 - (1) Comply with the Labor Standards Act and related laws and regulations for the maximum protection of the rights and interests of employees.
 - (2) Provide unfettered and diverse communication channels for employees to freely express their opinions and get feedback (Granite Questionnaire Survey).
 - (3) In the case of the Company's operating situations and major measures, we always fully inform our employees in advance, so that they can clearly understand and provide full support and cooperation.
 - (4) Provide employees with adequate training and education (elite training, internal professional training courses, professional certification, e-learning platform, external education and training expense subsidies, and encouragement of on-the-job training for employees).
 - (5) Other benefits such as reasonable employee benefits and compensation (group insurance, uniforms, holiday gifts, maternity benefits, employee trips, etc.) are provided.

(6) In order to ensure the safety of life and property of all colleagues, contractors, and construction workers at the construction site, we pay special attention to health and safety, and have been awarded many times by the Labor Affairs Commission and the labor inspection units of the county and city governments for work safety.

① Ensure safety in the working environment (ISO9001, CNS45001 and ISO 45001 certification) and ensure that the occupational health and safety environment complies with the standards.

② Establish written policies related to labor health and safety.

(III) Although the Company has established an enterprise trade union, no collective agreement has been signed as the trade union has never requested the Company to negotiate a collective agreement.

2. Employee Care:

The Company always attaches great importance to employee welfare and talent training, and abides by labor-related laws and regulations to protect the rights of employees.

(1) Employee Benefits

Provide two regular health checks every year. In addition to labor insurance and national health insurance, the Company also provides employees, spouses, and children with group life insurance, accident insurance, and health insurance; meanwhile, it has also set up a welfare committee to provide employees with subsidies for weddings, birthdays, births, funerals, hospitalization, injury and disability, travel, etc. It also holds events from time to time and provides holiday gifts or gift certificates to all employees. The first Weight Loss and Fitness walking competition was held in 2023. The response from colleagues was overwhelmingly positive. A total of 299 people signed up to participate in the three stages of strenuous walking (50,000 steps per week and 8,000 steps daily at least five days a week). Bonuses were awarded to 577 people per round. 139 people signed up for the weight-loss competition. 92 people who reached the standard lost a total of 512.05 kilograms of weight and received bonuses. The Company always values the health of employees and consider employees to be the company's most important asset.

(2) Training and Education for Employees

Every year we plan pre-job and on-the-job training budgets for employees to improve their professional skills, leadership, and career development. We also encourage them to actively improve their knowledge and participate in external training courses, giving incentives for employees to obtain certification and actively participate in continuing education. In addition to the regular training courses provided by the Company, we have also established an online teaching system environment that is unique to Ruentex. Through digital resources and autonomous learning, employees can fully understand the innovation, research and development, and professional knowledge that they must possess as a Ruentexer. This allows each employee to acquire the knowledge, skills and standards, and form professional teams at Ruentex. By using the e-learning system, employees can get information about courses and share their thoughts after taking courses. In this way, employees can save much time and space, and utilize learning resources more efficiently.

(3) Retirement system

(I) In addition to the relevant provisions of the Labor Standards Act, the Company's retirement system is better than the Labor Standards Act, and the application for voluntary retirement is qualified:

1. Those who have accumulated a total of 10 years or more of working experience with the affiliated enterprise.
2. The worker will be at the age of 55 or above with at least 15 years of service or at least 25 years of service within five years.

3. People over the age of 45 who are unable to work due to health factors.

(II) The Company contributed 2% of the total labor salaries under the old system and 6% of the total monthly pension under the new system. The total contribution under the old system is NT\$44,277,657, of which the new system in 2023 accounts for 99% and the old system 7%.

(III) Relevant operating procedures for retirement application:

1. When an employee applies for retirement, the determination of the retirement age is based on the household registration records, fully calculated from the date of birth.
2. The application for retirement shall be submitted in writing one month in advance, and the resignation procedures shall be completed in accordance with the Company's regulations.

(IV) The operation status of the Labor Pension Supervisory Committee in 2023 is as follows:

1. Monitor whether the monthly contribution is based on the total amount of labor salaries according to the statutory ratio.
2. To supervise whether the pension fund is appropriated in full. If the reserve in the special account is insufficient to cover the labor pension, the Company shall make up for it.
3. A total of 7 employees applied for retirement in 2023. The Labor Pension Supervisory Committee has completed its meeting and applied for it in accordance with the relevant procedures.

3. Investor Relations:

- (1) Enhance operational transparency and ensure the accuracy, integrity, and timeliness of information disclosures.
- (2) Attach great importance to corporate governance , formulate and disclose corporate governance-related regulations and their implementation .
- (3) Establish the spokesperson system to specialize in handling shareholder recommendations and protect shareholder equality.
- (4) The regular shareholders' meetings have adopted video conference and electronic voting to facilitate voting, provide shareholders with opportunities and channels to participate in the online shareholders' meeting, and implement shareholder activism.
- (5) An investor conference is held at least once a year to establish a platform for communication with investors, and to explain to shareholders and investors non-financial qualitative information such as operating results, future business directions and goals, or industry trends, in order to strengthen the Company's information transparency .

4. Supplier Relations:

- (1) The Company has established a contracting center that consolidates procurement authority and responsibility to improve purchasing efficiency and prevent abuse, and to treat contractors well with reasonable profits and timely payments.
- (2) The Company ensures the safety of life and property of all contractors and construction workers on site, and pays special attention to a health and safe working environment and the insurance system for contractors' workers.
- (3) Establishment of the "Contractor Green Procurement Management Regulations" to exert influence and work with suppliers to achieve the net zero carbon emission goal by 2050.

5. Stakeholders Rights:

- (1) Respect intellectual property rights.
- (2) Value customer relations.
- (3) Comply with laws and regulations.

6. Directors' Continuing Education: See pages 81 of this Annual Report.

7. The implementation of risk management policies and risk measurement standards: In order to enable the Company to identify and respond to various risks in a timely manner to improve

operational resilience, the responsible units for each type of risk are controlled by the relevant operational reports to assess the front-line risks prevention and management. In addition, Run Hong has a strict internal control system, and the internal audit unit regularly or irregularly audits the implementation and submits relevant reports. The President Office is responsible for the overall control of the identified major operational risks and reports to the Board of Directors to track the improvement status.

Name of organization	Scope of Powers and Responsibilities
Board of Directors	To approve risk management policies and systems, and supervise the implementation of risk management systems.
President (President's Office)	Coordinate and direct all departments, responsible for formulating various risk management systems; regularly review the company's project risk management reports, strategies and improvement plans, and review the improvement results.
Audit Office	Assist the Board of Directors and managers in checking the deficiencies of the internal control system and confirm the effective operation of risk management, and report the risk status to the Board of Directors on a regular basis.
Responsible units	To promote, identify, evaluate and manage the risk management policies of each department; to report risk status on a regular basis and to formulate response and improvement mechanisms.

8. Implementation of Customer Policy: Maintain stable and good relationships with customers.

9. Liability Insurance Taken Out by the Company for Directors and Supervisors:

The Company has renewed the liability insurance policy for directors and key staff members from Taiwan Fire & Marine Insurance Co., Ltd. for one year. The contents covered under the insurance policy(ies) include the liabilities of directors, supervisors and key staff members, the Company's liabilities for compensation and the liabilities for compensation for negotiable securities, and liabilities for compensation in the employment behaviors. The insured period is from 12:00 February 1, 2024 to 12:00 February 1, 2025, and the insurance amount is US\$1 million.

IX. Please specify the status of improvement and the prioritized improvements with reference to the Corporate Governance Evaluation results announced by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the previous year.

1. We assessed governance compliance based on the "Corporate Governance Evaluation Indicators" every year. We disclosed the focus of corrections for future improvements.
2. Unimproved Items and Measures Requiring Priority Actions:

Summary of evaluation indicators	Prioritized enhancements and measures
Shareholders' meeting assisted by video convening.	In 2024, the shareholders' meeting will be convened by means of video conferencing.
Amendment to the Articles of Incorporation to disclose a specific dividend policy.	Amendments to the Articles of Incorporation were proposed in the 2024 shareholders' meeting to specify the dividend policy.
Upload the English version of the annual financial report 16 days prior to the Shareholders' Meeting.	Upload the English version of the annual financial report by the deadline.
The Chinese version of each quarterly financial report shall be disclosed in English within two months after the deadline for filing	Upload the English version of each quarterly financial report before the deadline.

the Chinese version of each quarterly financial report.	
At least two investor conferences are held each year. (Listed companies shall convene at least one tax briefing each year.)	There were two institutional investor conference held in 2024.
The performance evaluation of the Board of Directors is externally evaluated at least once every three years.	Before the end of 2024, the Board of Directors proposed to amend the "Regulations of the Board of Directors' Performance Evaluation" to specify that an external evaluation should be performed at least once every three years, and that the implementation and evaluation results should be disclosed on the Company's website.
A functional committee (risk management committee) other than the statutory standards at the level of the audit committee has been established and reports to the board of directors at least once a year.	Establish the Risk Management Committee and disclose the implementation on the Company's website before the end of 2024.
Issue the GRI Guidelines in both Chinese and English, which were verified by a third party and submitted to the Sustainability Report for the Board of Directors' approval.	The 2024 Sustainability Report is prepared and expected to be approved, declared and uploaded to the Company's website by the Board of Directors by the end of August 2024. The English version of the Sustainability Report is expected to be uploaded before the end of 2024.
Disclose the annual volume of water consumption, waste, and greenhouse gas emission in the past two years, and obtain external verification and reduction targets.	Disclose relevant information in the Sustainability Report.

(IV) If a Remuneration Committee or Nomination Committee is in place, disclose its composition, duties, and operation:

The Board of Director of the Company has established a Remuneration Committee with three members including independent directors, which meets at least twice a year. The responsibilities of the Committee include establishing and periodically reviewing the annual and long-term performance goals for the directors and managerial officers of the Company and the policies, systems, standards, and structure for their remuneration; periodically evaluating the achievement of performance targets for directors and managers and the content and amount of their individual remuneration.

(1) Data of Remuneration Committee Members

Requirements		The professional qualifications and hands-on experiences	Facts about independence attribute	Concurrently an Independent Director for Other Public Companies
Title/Name				
Independent Director	Zheng, Hui-Bin (Convener)	Remuneration Committee Convener and Audit Committee member, currently a professor at the National Taiwan University Civil Engineering Department, with professional background in construction. (See pages 34-35 of this Annual Report)	(1) The principal person, his or her spouse, blood relative within the second degree of kinship have not served as the director and supervisor or employee in the Company or an affiliated enterprise thereof. (2) The number of shares held by the principal person, his or her spouse, blood relative within the second degree of kinship (or in the name of another): 0 (3) Having not served with the Company or a company with specific relationship with the Company as director and supervisor or employee. (4) The amount of remuneration received by the Company or its affiliated enterprises for commercial, legal, financial, accounting services rendered within the most recent two years: 0	Zero
Independent Director	Shen, Xiao-Ling	Remuneration Committee member and Audit Committee Convener, currently a professor in the Department of Business Administration at Soochow University, with a professional background in finance and accounting management. (See pages 34-35 of this Annual Report)	(1) The principal person, his or her spouse, blood relative within the second degree of kinship have not served as the director and supervisor or employee in the Company or an affiliated enterprise thereof. (2) The number of shares held by the principal person, his or her spouse, blood relative within the second degree of kinship (or in the name of another): 0 (3) Having not served with the Company or a company with specific relationship with the Company as director and supervisor or employee. (4) The amount of remuneration received by the Company or its affiliated enterprises for commercial, legal, financial, accounting services rendered within the most recent two years: 0	2
Others	Ko, Shun-Hsiung	Remuneration Committee member, Master of Finance from National Taiwan University, currently an accountant at Chien Ta Accounting Firm with a professional background in finance and accounting.	(1) The principal person, his or her spouse, blood relative within the second degree of kinship have not served as the director and supervisor or employee in the Company or an affiliated enterprise thereof. (2) The number of shares held by the principal person, his or her spouse, blood relative within the second degree of kinship (or in the name of another): 0 (3) Having not served with the Company or a company with specific relationship with the Company as director and supervisor or employee. (4) The amount of remuneration received by the Company or its affiliated enterprises for commercial, legal, financial, accounting services rendered within the most recent two years: 0	1

2. Operation of Remuneration Committee

(1) The Remuneration Committee consists of three members

(2) The term of the current Committee is between June 20, 2023 and May 30, 2026. Three Committee meetings were held in the previous year (A),

and the qualifications and attendance records of members are tabulated below:

Title	Name	Participation in person Number of time(s)(B)	Attendances by Proxy	Actual Attendance Rate (%) [B/A]	Remark
Convener	Zheng, Hui-Bin	3	0	100.00%	Re-elected on 2023/6/20
Committee Member	Shen, Xiao-Ling	3	0	100.00%	Re-elected on 2023/6/20
Committee Member	Ko, Shun-Hsiung	3	0	100.00%	Re-elected on 2023/6/20

Other Information Required for Disclosure:

1. Causes for and resolutions of discussions of the Remuneration Committee in the previous year.

Remuneration Committee	Proposal Contents and Handling	Resolution Results	Decision of the Board of Directors in response to the opinions from the Remuneration Committee
7 th meeting of the 4 th term (1 st meeting in 2023) January 12, 2023	1. 2022 Board Performance Assessment 2. 2022 Directors' Compensation 3. Changes in the Remuneration of the Company's Managers 4. Proposal of the 2022 Manager Performance Bonus 5. Approved the Company's distribution of 2021 remuneration to managerial officers. 6. Proposed allocation percentage for the Company's 2022 employee remuneration	Unanimous consent of all committee members	Unanimous approval of all directors attending the Board meeting.
1 st Meeting of the 5 th term (2 nd meeting in 2023) 2023/6/20	Convener of the 5 th Remuneration Committee	Independent Director Zheng, Hui-Bin was elected as the convener unanimously.	
2 nd Meeting of the 5 th term (3 rd meeting in 2023) 2023/8/11	1. Changes in the compensation of the managerial officers for 2023. 2. Remuneration to the directors of the 13 th board of directors (excluding independent directors) 3. Remuneration to the independent directors of the 13 th term	Unanimous consent of all committee members	Unanimous approval of all directors attending the Board meeting.

	4. Amendment to the Company's "Bonus Regulations"		
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II. Where the Board of Directors does not adopt or amend a suggestion from the Remuneration Committee, please elaborate on the date, term, contents of motions, and results of resolutions for the Board of Directors meeting convened and the measures taken by the Company in response to the opinions of the Remuneration Committee (e.g., in the event that the remuneration resolved by the Board of Directors is higher than that suggested by the Remuneration Committee, please elaborate on the fact and reason of the differential gap): None.

III. Decisions resolved by the Remuneration Committee: Where a Committee member objects or voices a qualified opinion as backed up in writing or with a record, please elaborate on the date, term, contents of motions, opinions of all members, and acts taken in response to such members: None.

3. Information on Nomination Committee Members and Operations

The Company has not yet established a nomination committee, which is a voluntary committee and will be established in accordance with the regulations of the competent authorities and the needs of the Company. Although a nomination committee has not yet been set up, the board of directors thoroughly communicate candidates nominated, which is in alignment with corporate governance.

(V) Sustainable development practices; deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Items	Implementation		Summary Description	Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
I. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	✓		As per the overarching vision and mission of the Company regarding environmental, social, and governance (ESG) policies, the "Sustainability Development Committee" was formed in 2023 on a part-time basis. The committee operates under the authority of the Board of Directors, and the Chairman assumes the role of convener. The department of Research and Development is tasked with the coordination of the development and implementation of policies, systems, management guidelines, and specific action plans pertaining to sustainable development. Additionally, the committee identifies stakeholder and sustainability issues pertinent to the Company's operations. The committee is organized into three subgroups to drive initiatives effectively: 1. Sustainable Environment and Product Services Group, 2. Employee Care and Social Concern Group, 3. Corporate Governance Group. To achieve net-zero targets and sustainable development, these groups collaborate to integrate resources and implement the Company's sustainability strategies, which include environmental protection, social engagement, and corporate governance. The 2023 report to the Board of Directors included: 4 greenhouse gas inventories, 1 performance evaluation of the Board of Directors, and 1 report on the implementation of ethical management. Based on the content of the reports, the directors reviewed the progress of implementation, communicated the goals of sustainable construction and low-carbon building materials, etc., suits the Company's sustainable development strategy.	N/A.
II. Has the Company, pursuant to the	✓		1. This disclosure covers the Company's 2023. The boundary of risk assessment is mainly based on the	N/A.

Items	Implementation		Summary Description	Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies								
	Yes	No										
principle of materiality, carried out risk management toward environmental, social and corporate governance related risk assessment and further set up relevant risk management policies or strategies?			<p>Company, including the Taipei Headquarters and Yangmei Plant The Yilan Plant of the subsidiary Ruentex Materials Co., Ltd. was included in the scope.</p> <p>2. The Sustainable Development Committee conducted the analysis in accordance with the principle of materiality in the sustainability report, and comprehensively considered the results of the stakeholders' level of concern questionnaire, the results of the impact assessment questionnaire, the company's philosophy and brand core values, etc. The members of the Sustainable Development Committee's task force Determined a total of 10 material topics for the year with external experts. The members of the project team of the Sustainable Development Committee and each department formulate strategies and management goals for the major issues in 2023, and regularly (at least once a year) report the analysis results and implementation planning directions to the Board of Directors. Based on the risks assessed, the relevant risk management policies or strategies are formulated as follows:</p> <table border="1"> <thead> <tr> <th>Material Issues</th> <th>Risk Assessment Items</th> <th>Responding strategies</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Environment</td> <td>Waste management risks</td> <td>The Company has established a Quality Assurance Department and Occupational Safety and Health Department to supervise the implementation of environmental maintenance on each site, reduce the repeated purchase of materials, implement garbage sorting, and appoint qualified waste removal companies to be responsible for recycling and reuse.</td> </tr> <tr> <td>Climate change</td> <td>Use the TCFD framework to construct the Company's climate</td> </tr> </tbody> </table>	Material Issues	Risk Assessment Items	Responding strategies	Environment	Waste management risks	The Company has established a Quality Assurance Department and Occupational Safety and Health Department to supervise the implementation of environmental maintenance on each site, reduce the repeated purchase of materials, implement garbage sorting, and appoint qualified waste removal companies to be responsible for recycling and reuse.	Climate change	Use the TCFD framework to construct the Company's climate	
Material Issues	Risk Assessment Items	Responding strategies										
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	Climate change	Use the TCFD framework to construct the Company's climate										

Items	Implementation			Summary Description	Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No			
				<p>governance risk</p> <p>risk identification process. After cross-departmental discussions on climate risks and opportunities, a total of 3 opportunities and 3 risks were identified.</p> <p>Energy and greenhouse gas management risks</p> <p>Use of new technologies and methods to improve energy efficiency and reduce greenhouse gas emissions.</p> <p>Risks associated with the use of raw materials</p> <p>To be environmentally friendly, we will increase green procurement and increase the proportion of low-carbon emission raw materials.</p> <p>Society</p> <p>Remuneration and benefits and labor-management communication risks</p> <p>Emphasize on hiring, coordinate labor relations and enhance employee benefits through employee assistance programs.</p> <p>Occupational health and safety risks</p> <p>1. The Company has established a Quality Assurance Department and Occupational Safety and Health Department to attach great importance to occupational safety and reduce the occurrence of occupational disasters that may lead to construction suspension, interruption and low organizational atmosphere. 2. Regular fire drills and industrial safety education and training are held every year to cultivate employees' abilities in emergency response and self-safety management.</p> <p>Risks associated with</p> <p>Cultivate professional talents to comply with various laws and regulations and reduce risks to the</p>	

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	Yes	No												
				<table border="1"> <tr> <td>talent development and cultivation</td> <td>environment or workers involved in construction projects.</td> </tr> <tr> <td>Employee diversity and equal opportunity risk</td> <td>Maintain equality in the workplace and reduce the risk of discrimination.</td> </tr> <tr> <td rowspan="2">Governance</td> <td>Integrity management risk</td> <td>1. Implement ethical management, eliminate corruption and dishonesty, and formulate anti-corruption policies. 2. Implement the internal control mechanism to ensure that all the Company's personnel comply with the relevant laws and regulations.</td> </tr> <tr> <td>Information security risk</td> <td>The Company has established an information security room and software service department and other dedicated units to reduce the risks of information interruption or damage, leakage of confidential information, and improper use of illegal software.</td> </tr> </table>	talent development and cultivation	environment or workers involved in construction projects.	Employee diversity and equal opportunity risk	Maintain equality in the workplace and reduce the risk of discrimination.	Governance	Integrity management risk	1. Implement ethical management, eliminate corruption and dishonesty, and formulate anti-corruption policies. 2. Implement the internal control mechanism to ensure that all the Company's personnel comply with the relevant laws and regulations.	Information security risk	The Company has established an information security room and software service department and other dedicated units to reduce the risks of information interruption or damage, leakage of confidential information, and improper use of illegal software.	
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Items	Implementation		Summary Description	Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies												
	Yes	No														
<p>III. Environmental issues</p> <p>(I) Has the Company set up appropriate environmental management experiment based on its industrial characteristics?</p> <p>(二) Does the Company endeavor to upgrade energy utilization efficiency by adopting recycled materials with low impact upon the environment?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company's Yangmei Factory and project site have completed the "ISO 45001, CNS45001 (formerly TOSHMS) Occupational Health and Safety Management System" certification, and annual greenhouse gas inventories are conducted in accordance with ISO14064-1 and ISO14067 product carbon footprint specifications. The emissions reduction results are tracked and publicly disclosed in Sustainability Report and the Company's website (https://www.rtc.com.tw).</p> <p>(II) <u>Policies and commitments:</u> In order to practice environmental sustainability, RECHI takes each stage of its own operating value chain as its consideration, and follows the Task Force on Climate-related Financial Disclosures (TCFD) framework. and responding to the impacts of climate change. The Company has also set environmental management goals and policies related to energy and greenhouse gases, waste, and water resources, fully built a near-zero building and enterprise that coexists with nature, and gradually implemented the vision of low-carbon and sustainable construction projects.</p> <p><u>Annual Actions and Performance:</u></p> <p>1. Established a TCFD task force in 2023 and disclosed climate risk-related information in accordance with the TCFD framework.</p> <p>2. Comply with ISO14064-1: Complete the 2023 greenhouse gas inventory.</p> <table border="1"> <thead> <tr> <th>Headquarters and Yangmei Plant</th> <th>Greenhouse gas inventory results</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>554 tons of CO2</td> </tr> <tr> <td>Scope 2</td> <td>1,031 tons of CO2</td> </tr> <tr> <td>Scope 3</td> <td>1,615 tons of CO2</td> </tr> <tr> <td>Scope 4</td> <td>36,489 tons of CO2</td> </tr> <tr> <td>Total</td> <td>39,689 tonnes of CO2</td> </tr> </tbody> </table> <p>3. Replacing 80 traditional lamps in the headquarters in 2023 with power-saving LED lamps, which will reduce power consumption by about 6,073 KWH each year and reduce carbon dioxide emissions by</p>	Headquarters and Yangmei Plant	Greenhouse gas inventory results	Scope 1	554 tons of CO2	Scope 2	1,031 tons of CO2	Scope 3	1,615 tons of CO2	Scope 4	36,489 tons of CO2	Total	39,689 tonnes of CO2	<p>N/A.</p> <p>N/A.</p> <p>N/A.</p>
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Items	Implementation		Summary Description	Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
(三) Has the Company evaluated the climate change and the risks and opportunities resulting therefrom at present and in the future and, in turn, adopted relevant countermeasures?	✓		<p>about 3,006 kg.</p> <p>4. Establishment of the "Waste Reduction Implementation Regulations" to manage the waste situation.</p> <p>(III) The Company shall hold annual meetings on the Company's key climate risk opportunities and submit the results to the Board of Directors. The Sustainable Development Committee is required to submit a quarterly report on the GHG inventory to the Board of Directors, the disclosure schedule and the implementation progress. The TCFD framework is used to construct the Company's climate risk identification process. Opportunities include the transition risks of "authorization and supervision of existing products and services," "carbon pricing mechanism," "authorization and supervision of existing products and services," and "entry into new markets," "use of low-carbon energy sources," and Opportunities to "development and/or expansion of low-carbon products and services" are disclosed in the sustainability report and the Company's website (https://www.rtc.com.tw).</p> <p>(IV) The Company kept statistics on the greenhouse gas emission in the past two years and formulated policies for energy conservation, carbon reduction, greenhouse gas reduction, and water reduction.</p> <p>(1) The Sustainable Development Committee set the Company's "Net Zero Target", aiming to reduce greenhouse gas emissions by 50% and waste by 50% and increase the use of green electricity to 15% by 2035; reach near zero carbon and carbon neutrality by 2050; and raise the use of green electricity to 60% of all energy sources.</p> <p>(2) <u>Yilan Factory</u> :</p> <p>The Yilan Cement Factory continues to adhere to the sustainable energy policy guidelines established by the Bureau of Energy of the Ministry of Economic Affairs. These regulations pertain to "increasing energy efficiency</p>	N/A.

Items	Implementation			Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies												
	Yes	No	Summary Description													
(IV) Has the Company carried out statistics toward greenhouse gas emissions, water consumption and the aggregate total waste weight in the past two years and, in turn, established such policies for greenhouse gas reduction, water consumption reduction or other waste management oriented policies?			<p>by more than 1% annually over the next 8 years," together with "developing clean energy to reduce national CO2 emissions by 20% by 2030 (relative to 2005 levels), returning to the 2000 emission levels by 2025, and aiming for net-zero carbon emissions by 2050." In an effort to advance towards a low-carbon economy and sustainable environmental development, the Yilan plant has made a commitment to implement quantitative management targets that aim to improve energy efficiency and foster the growth of clean energy. To this end, AFNOR Asia Ltd. has verified the greenhouse gas emissions of the facility. The plant has achieved a 19% reduction in total greenhouse gas emissions over the course of the last six years, from 745,765 metric tons of CO2 in 2016 to 604,030 metric tons in 2022. Furthermore, the company has advocated extensively for water conservation and energy-saving enhancements in an effort to meet its social obligations and comply with national policies concerning carbon reduction and energy conservation. It continues to make investments in rainwater recycling and process water conservation.</p> <table border="1"> <thead> <tr> <th>Yilan Factory</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Greenhouse Gas Inventory</td> <td>565,266 tons of CO2</td> <td>604,030 tons of CO2</td> </tr> <tr> <td>Total Water Consumption</td> <td>694,236 cubic meters</td> <td>530,979 cubic meters</td> </tr> <tr> <td>Waste - reuse</td> <td>44,386 tons</td> <td>49,774 tons</td> </tr> </tbody> </table>	Yilan Factory	2022	2023	Greenhouse Gas Inventory	565,266 tons of CO2	604,030 tons of CO2	Total Water Consumption	694,236 cubic meters	530,979 cubic meters	Waste - reuse	44,386 tons	49,774 tons	
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Items	Implementation		Summary Description	Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
IV. Social issues				
(I) Does the Company establish management policies and procedures in accordance with relevant laws and International Bill of Human Rights?	✓		(I) "People-oriented" has always been our value. We support and follow internationally recognized human rights norms and principles, including the "United Nations Universal Declaration of Human Rights," the United Nations Global Compact, the "UN Guiding Principles on Business and Human Rights," and the International Labor Organization's "Declaration of Fundamental Principles and Rights at Work," and abide by the laws and regulations of the place where the company is located to formulate human rights policies, and implement human rights protection through the human rights principles of "protection, respect, and remedy". ■A summary of the Company's management policies and specific plans is as follows: 1. Provided a safe and healthy work environment to pass ISO45001 certification. 2. Assisted employees in maintaining physical and psychological health and a work-life balance and regularly sent occupational health nurses and physician to provide on-site consultation services six times per month. 3. Abided by the local labor laws and preventing violence in the workplace; formulated guidelines for preventing violence in the workplace with reference to the Elimination of Violence and Harassment in the World of Work Convention of the International Labour Organization; published a whistleblowing system on the website. Advocated for fair, just, open employment opportunities and a dignified work environment in Ruentex's culture course, totaling 136 hours, with 89 participants. 4. Signed contracts, containing human rights clauses, with suppliers and performed on-site audits.	N/A.
(II) Has the Company enacted and enforced rational employee welfare measures (including, e.g., remuneration,	✓		(II) Upholding the belief in profit sharing with employees and shareholders; and attract, retain, develop, and incentivize talents from different fields. Please refer to p.55-56 of the Annual Report for employee benefits	N/A.

Items	Implementation		Summary Description	Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
vacation leave and other welfares(and put the business performance results into appropriately reflection toward employees in their benefits?	✓		and retirement system. Remuneration is determined based on the Company's business performance and the employee's personal achievements. Please refer to p.41 of the Annual Report for details.	N/A.
(III) Does the Company provide employees with a safe and healthy work environment and arrange regular safety and health education for employees?	✓		(III) The Company spares no effort to provide maximum possible benefits toward the safety and security and health for all staff members, with relevant measures as notably enumerated below: (1) Factories and Sites: The Company has obtained the ISO9001 Quality Management System, CNS45001 and ISO45001 certifications, and other occupational health and safety management certifications, confirming that the Company's occupational health and safety environment meets the standards. The Company also implements regular health and safety training for employees to prevent occupational hazards. (2) Office access control and fire prevention. (3) The number of employee injuries in 2023 was 0. (4) The number of fire incidents in 2023 was 2.	N/A.
(IV) Does Company establish effective career development and training plans for employees?	✓		(IV) Every year we plan a budget for the regular and irregular pre-employment and on-the-job training for employees to ensure the Company's CSR compliance, enhance employees' professional skills, leadership competence, and career development. To encourage employees to receive further education without effective corporate business and to develop quality management and professional talents, we provide diverse channels for further education and promote employees to exchange management and professional experience with other enterprises. In addition, we encourage employees to	N/A.

Items	Implementation		Summary Description	Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
(V) Does the Company comply with the related laws and regulations and international standards regarding the customer health and safety, customer privacy, market communication, and labeling of its products and services and establish policies to protect the rights and interests of customers or clients and	✓		<p>enrich themselves, participate in external further education courses, and provide rewards for certificates and licenses to incentivize employees to actively engage in further education. In 2023, a total of 5,882 hours of internal and external education and training were conducted for a total of 6,644 employees.</p> <p>(V) Company compliance related rules and regulations and international guidelines:</p> <p>In regards to the effort to safeguard the working environment, the Company has been officially accredited into ISO9001 Quality Management System, CNS45001 and ISO45001 Occupational Health and Safety Management System certification, as well as a good number of occupational health and safety environment specifications to satisfy the specified standards. Our design of building foundation structure, seismic design and the design and implementation of sewage treatment facilities in buildings and constructions prove satisfactory to relevant laws and regulations.</p>	N/A.

Items	Implementation		Summary Description	Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
<p>procedures for grievances?</p> <p>(VI) Has the Company sets up supplier managerial policies to demand that all suppliers exactly comply with health or labor-based human rights related specifications and the fact about the implementation .</p>	✓		<p>(VI) The Company requires all suppliers to comply with the terms and conditions set forth under the "Regulations Governing Contractors on Safety & Health at Project Sites" which are covered within all contract terms. The Company further put the General Provisions on "Project Site Safety & Health" into the Company websites readily available for download, expressly stressing that whenever a contractor (supplier) fails to comply with the safety & health terms or pollutes environment, the penalty fine shall be imposed to be deducted from the administrative price estimation payment (with double penalty fine in case of a serious violation). Through such efforts, both the Company and suppliers shall jointly comply with environmental protection and safety & health related specifications with wholehearted endeavors toward public safety & security, environmental health to fulfill the corporate social responsibility (CSR).</p>	N/A.
<p>V. Does the Company, following internationally recognized guidelines, prepare and publish reports, such as its Corporate Sustainability Report, to disclose non-financial information of the Company? Are</p>	✓		<p>V. The Company has prepared the "2023 sustainability report" in accordance with the GRI Standards. The Company will conduct independent limited assurance on the verification or review of historical financial information" (established with reference to the International Standard for Assurance ISAE3000), and it is expected to be disclosed on the Company's website before the end of August 2024.</p>	N/A.

Items	Implementation		Summary Description	Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
said reports assured or verified by a third-party certification body?				

VI. If the Company has established its own Sustainable Development Best Practice Principles with reference to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please state the discrepancies with its own principles:

The Company has established the "Sustainable Development Best Practice Principles" to comply with laws and regulations and conduct corporate governance in accordance with the Company Act and relevant regulations of the Securities and Futures Bureau. It also takes into consideration the development trends of corporate social responsibility both domestically and internationally, demonstrates its commitment to its employees, shareholders, and consumers, and promotes various corporate social activities. The Company's practice does not have any discrepancies with the regulations.

VII. Other important information that helps the public understand sustainable development implementation status:

(I) The Company participated in the Labor Council's health and safety group cooperation and joint prevention organization [Construction Industry North District Health and Safety Promotion Association]. Through experience sharing and mutual cooperation, the Company has been able to discuss safety and hygiene with other members on the organization's platform, and has held several site observation activities to improve the working environment and enhance the industry's self-management capabilities.

(II) The Company participated in the mechanism of the "Construction Site Self-Management Strategy Alliance" of the Labor Inspection Department of Taipei City to assist the government in implementing health and safety promotion and education. The Company also led and participated in counseling groups to help counsel construction companies with weaker health and safety to improve their working environment and enhance their self-management capabilities.

(III) After the releasing of 7 patents to the Department of Civil Engineering of National Taiwan University and the Taiwan Concrete Institute in 2008, the Company announced the releasing

of 14 patents on April 1, 2010, including multi-screw hoops for columns, one-piece hoops for columns, bending hoops for beams with spot-welded wire mesh, and various kinds of composite hoops, etc. A total of 21 patents have been released to Taiwanese users. These components and parts can be manufactured using automated steel technology. Automatic production by factories can precisely control the quality, and the finished products can be transported to the construction site for quick installation. As steel prices increase and structural strength requirements remain unchanged, such technologies not only save labor, material, and time, but also save energy and reduce carbon. Innovation is the driving force for enterprises to move forward. The traditional construction industry has long lacked this driving force for innovation and research and development. With the releasing of these patents, we hope to create a culture of innovation in the industry and enhance the competitiveness of the construction industry.

VI. Climate-Related Information of TWSE/TPEX Listed Company

Item	Implementation
<p>1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>The company has been disclosing climate-related information in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) financial structure since 2023. and management system. The board of directors also plays a key role in determining the company's climate commitments and goals. It discusses current climate risk opportunities and trends from time to time, proposes specific overall group strategies for key climate risks, and regularly reviews the executive documents and reports of the Sustainability Development Committee to communicate about sustainability. Construction and low-carbon building materials and other goals are in line with the company's sustainable development strategy and stably maintain the company's sustainable operations.</p> <p>In order to manage and identify wildlife with climate-related opportunities in Qatar, Runhong will set up a task-based sustainable development committee composed of a task force in 2023. The chairman will serve as the convener of the sustainable development committee, and the top manager of the R&D department will serve as the group leader. , meetings are held every year on the company's key climate opportunities, and the results are reported to the report board. In addition, the Sustainability Committee is required to conduct detailed reports on the progress and implementation of greenhouse gas exposure identification to the board every quarter.</p>
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	<p>The company collected 8 relevant climate-related risks and 6 climate-related opportunity issues, conducted quantitative analysis and control of significance ranking based on the multiplication of "impact degree" and "possibility of occurrence", and selected the top 3 major climate issues. Risks and opportunities, and an in-depth identification of the impact period and potential financial impact on Runhong as a basis for relevant countermeasures and risk management, please refer to the sustainability report.</p>
<p>3. Describe the financial impact of extreme weather events and transformative actions.</p>	<p>For the financial impact of extreme climate events and transition actions, please refer to the potential financial impact of the sustainability report.</p>

4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	In order to fully understand and grasp the current key climate opportunities and risks, Runhong has issued relevant guidelines with reference to TCFD to identify risks and opportunities that may have a significant financial impact. Please refer to the sustainability report for the identification process.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	N/A.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	For the company's transformation plan to manage climate-related risks, please refer to the strategic action description in the sustainability report.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	N/A.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	In order to strengthen internal energy and greenhouse gas management, the company starts from the two major aspects of "operation base" and "low-carbon products" and cooperates with the national net-zero emission path and strategy to develop various strategies and implementation plans, which are developed by the Sustainability Development Committee For various carbon reduction implementation plans and sustainable low-carbon projects, please refer to the sustainability report.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan .	2023 is the base year for the company's greenhouse gas inventory. The 2023 greenhouse gas inventory is expected to be completed by the end of August 2024. Please refer to the sustainability report for the company's greenhouse gas inventory results, reduction goals and strategies.

(VI) Performance in ethical corporate management and differences from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:

Evaluation Items	Status of Operation			Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
<p>I. Establishing Ethical Corporate Management Policies and Programs</p> <p>(一) Does the company establish policies for ethical corporate management approved by the Board of Directors and state such policies and practices in its regulations and external documents and in the commitment made by the board of directors and senior management to actively implement such policies?</p> <p>(II) Does the Company establish an assessment mechanism of risk from unethical behavior to regularly analyze and assess business activities with higher risk of involvement in unethical behavior and preventive programs for unethical behaviors containing at least the preventive measures stated in paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company's board of directors has approved the "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures and Conduct Guidelines for Integrity". The members of the Board of Directors and the management of the Company do not engage in dishonest conduct in the course of their business activities, such as breach of integrity, unlawfulness, or breach of fiduciary duties. They all execute policies with integrity to create a business environment for sustainable development.</p> <p>(II) To ensure the implementation of integrity management, the Company has established an effective accounting system and internal control system. Internal auditors regularly review the compliance with the former system and prepare audit reports.</p>	<p>N/A.</p> <p>N/A.</p> <p>N/A.</p>

Evaluation Items	Status of Operation			Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
<p>TWSE/TPEX-Listed Companies"?</p> <p>(III) Does the Company establish in the preventive programs the operating procedures to prevent unethical behavior, penalties and grievance systems of breaching the guidelines for conduct, and implement and periodically review and revise them?</p>			<p>(III) The Company established the "Procedures for Ethical Management and Guidelines for Conduct" on November 13, 2014 and amended it in the Board meeting on March 6, 2020, in order to prevent unethical behavior. At irregular meetings or education/training activities, we advocate the prevention of unethical behavior, develop a consistent belief among employees, and abide by the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, and other related laws and regulations for TESE/TPEX-listed companies, or other business conduct regulations. We have designated an ethical corporate management unit to report to the Board of Directors (at least once per year) the results of the ethical corporate management policy and preventive programs to implement ethical corporate management.</p>	
<p>II. Implementing Ethical Corporate Management</p> <p>(一) Does the Company assess the ethical records of its counterparts and explicitly include clauses on ethical behavior in transaction contracts?</p> <p>(II) Does the Company establish a</p>	<p>✓</p> <p>✓</p>		<p>(I) The Company conducts its business activities in a transparent and fair manner, and avoids dealing with customers, suppliers, or other counterparties who engage in dishonest practices. In the case of dishonest behavior, the Company will terminate or cancel the cooperation contract if it is discovered.</p> <p>(II) With respect to the "Ethical Corporate Management Best</p>	<p>N/A.</p> <p>N/A.</p>

Evaluation Items	Status of Operation			Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
unit specializing in implementing ethical corporate management under the Board of Directors and report regularly (at least once a year) to the Board of Directors the status of implementation and supervision of the ethical management policy and preventive programs of unethical behavior?	✓		Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct", the Project Department and the Human Resources Department are responsible for the establishment, implementation, supervision, and review the effectiveness of implementation of the ethical corporate management policy and preventive programs and report the results to the Board of Directors periodically (at least once a year).	N/A.
(III) Does the Company establish and implement a policy to prevent conflicts of interest and provide suitable channels for reporting such conflicts?	✓		In terms of hands-on operation and implementation, including educational & training programs, compliance advocacy, offense-reporting system and whistleblower protection, please refer to the descriptions below: (III) Employees within the Company may report to the Human Resources Department in addition to their immediate department head.	N/A.
(IV) Does the Company establish an effective accounting system and an internal control system for the internal audit unit to establish related audit programs based on the results of risk assessment of involvement in unethical behavior to audit and prevent the compliance with the preventive programs of unethical behavior or hire a CPA to perform the audit?			(IV) To ensure the implementation of integrity management, the Company has established an effective accounting system and internal control system. The internal audit personnel periodically draws up related audit programs based on the results of assessments of risk of involvement in unethical behavior and audits the compliance of preventive programs of unethical behavior. The CPA also audits the performance of the Company's internal audit system every year.	N/A.
(V) Does the Company regularly			(V) In 2023 , internal and external education and training related to ethical corporate management issues were held. The contents of the courses include related laws and	

Evaluation Items	Status of Operation			Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
organize internal and external education and training activities for ethical corporate management?			<p>regulations related to insider trading and insider equity, corporate governance, related regulations on trade secrets and internal control, and internal control to prevent corporate misstatement and corruption. design and auditing skills courses, including the target at directors and senior managers and employees. The directors' continuing education courses include April 28 "Corporate Governance and Securities Regulation & CFC System for Controlled Foreign Enterprises", May 11 "Information Security Governance Trends and Challenges", 9 /4 "14th Taipei Corporate Governance Forum", 10/2 "Inside insider trading management and legal issues to be aware of", 10/13 and 10/20 "2023 insider trading prevention seminar", "AI Application, Law, and Audit" on 24/10, "2023 Insider Legal Compliance Seminar on 2023" on November 15, and "Corporate Governance and Securities Regulations & CFC Policy for Controlled Foreign Companies" on 12/18 75 hours; internal training, elite training for new employees - the corporate culture of ethical corporate management in the corporate culture "Integrity Values and System Introduction" for a total of 136 hours, 89 people participated.</p>	

Evaluation Items	Status of Operation			Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
<p>III. Operating the Whistleblowing System</p> <p>(I) Does the Company establish explicit whistleblower and reward schemes and convenient reporting channels, and assign appropriate personnel to investigate the target of a whistleblower report?</p> <p>(II) Does the Company establish standard operating procedures for investigation, post-investigation measures, and related mechanisms to ensure the confidentiality of a whistleblower complaint?</p> <p>(III) Does the Company establish measures to protect whistleblowers against retaliation?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) Employees within the Company may report to the Human Resources Department in addition to their immediate department head. In addition, the Company's website discloses the system and methods of reporting illegal (including corrupt) and unethical behavior by internal and external personnel.</p> <p>(II) The Company has a reporting system for personnel involved in dishonest conduct, which is posted on the Company's website. The identity of the whistleblower and the content of the report are kept confidential and handled by a dedicated unit in accordance with the procedures.</p> <p>(III) The Company's reporting process is confidential, and no disciplinary actions will be taken against whistleblowers.</p>	<p>N/A.</p> <p>N/A.</p> <p>N/A.</p>
<p>IV. Reinforcing Information Disclosure</p> <p>Has the Company disclosed its Ethical Corporate Management Best Practice Principles including the contents and performance of the implementation, through its own website and Market Observation Post System (MOPS)?</p>	<p>✓</p>		<p>The Company's Ethical Corporate Management Best Practice Principles is available on the Market Observation Post System (MOPS) and the Company's website. The Project Department and Human Resources Department are responsible for formulating and monitoring the implementation of integrity management policies and prevention programs, reviewing their effectiveness, and disclosing the status of integrity management on the Company's website.</p>	<p>N/A.</p>

<p>V. Where the Company has duly enacted its own Best-Practice Principles on Good Faith Management in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please elaborate on the difference between the hands-on practice and requirements under the official Principles: N/A.</p>
<p>VI. Other significant information conducive for better awareness of the Company's implementation of Best-Practice Principles on Good Faith Management: (E.g., the Company's reassessment and update of the Ethical Corporate Management Best Practice Principles)</p> <ol style="list-style-type: none"> 1. The Company has established a good corporate governance and risk control mechanism in accordance with its transparent and responsible management philosophy, and complies with the Company Act, the Securities and Exchange Act, the Business Accounting Act, the related laws and regulations for TESE/TPEX-listed companies, and other relevant regulations as the Company's principle of ethical management to be implemented at the management level. 2. This Company amended the "Ethical Corporate Management Best Practice Principles" with respect to Letter Tai-Cheng-Zhi-Li-Zi No. 10800083781 issued by the Taiwan Stock Exchange Corporation on May 23, 2019 and the "Procedures for Ethical Management and Guidelines for Conduct" with respect to Letter Tai-Cheng-Zhi-Li-Zi No. 1090002299 issued by the Taiwan Stock Exchange Corporation on February 13, 2020. The amendments were reported to the 2020 Annual General Meeting of Shareholder. 3. The Company has established an internal control system and accounting system to ensure the implementation of ethical management.

(VII) If the Company has established the Governance Best Practice Principles and related regulations, please disclose the methods to access them:

1. Corporate Governance Best Practices and relevant regulations:

The Company has established the Corporate Governance Best Practice Principles, the Ethical Corporate Management Best Practice Principles, the Codes of Ethical Conduct, the Code of Corporate Social Responsibility Practices, the Code of Conduct for Employees, and other related regulations.

2. Method of inquiry: (1) MOPS <https://mops.twse.com.tw>

(2) Company website <https://www.rtc.com.tw>

(VIII) Other important information that helps understand the performance of corporate governance may be disclosed at the same time: none.

(IX) Implementing the Internal Control System:

1. Statement on Internal Control: See the next page for details.

2. The Company auditing its internal control system by a CPA shall disclose the CPA audit report: Not applicable.

Ruentex Engineering & Construction Co., Ltd.
Statement of Internal Control

Date: March 13, 2024

With regards to the results of the 2023 self-assessment of the internal control system, we hereby declare as follows:

- I. We acknowledge and understand that it is the responsibility of our Board of Directors and managers to establish, implement, and maintain an internal control system, and we have established such system. The purpose is to fairly ensure the effect and efficiency of operations (including profitability, performance, and security of assets); the reliability, timeliness, and transparency of financial reporting; and the achievement of legal compliance.
- II. There is a limitation inherent to each internal control system, however perfect the design is. As such, an effective internal control system can only fairly ensure the achievement of the aforementioned goals. Furthermore, the effectiveness of an internal control system may vary as the macro environment and situation change. By equipping our internal control system with a self-monitoring mechanism, we can take immediate corrective actions against any defects once identified.
- III. Referring to the criteria for determining the effectiveness of an internal control system as specified in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (the “Criteria”), we judge the effectiveness of design and implementation of our internal audit system. With regard to the management control process, the Criteria divide an internal control system into five elements: a) control environment, b) risk evaluation, c) control operation, d) information and communication, and e) monitoring. Each element in turn contains certain audit items, and the Criteria shall be referred to for details.
4. We have assessed the effectiveness of design and implementation of our internal control system with such criteria.
- V. On the grounds of the assessment results under the preceding paragraph, the Company holds that the design and implementation of the Company’s internal control system (including the supervision and management over the subsidiaries) as of December 31, 2023, including awareness of the effectiveness of operations and the extent to which efficiency objectives have been accomplished as well as the reports concerned have been virtually reliable in real-time, transparent, well satisfactory to the relevant norms and relevant laws and regulations as well as the compliance with the relevant internal control systems. All aforementioned contents would rationally assure satisfactory accomplishment of the aforementioned targets.
6. This statement shall form an integral part of the Annual Report and the prospectus of this Company and will be disclosed to the public. If there is any fraud, concealment, or unlawful practice found in the above contents, we shall be liable for the legal consequences under Article 20, Article 32, Article 171, and Article 174 of the

Securities and Exchange Act.

VII. The present Declaration was duly resolved by the Board of Directors on March 13, 2024. Among nine directors participating in that event, none objected at all and all extended full consent to back up the contents of the Declaration, as solemnly declared herewith.

Ruentex Engineering & Construction Co., Ltd.

Chairman: Lee, Chih-Hung

President: Mo, Wei-Han

(X) In the previous fiscal year and by the date of annual report publication, there were punishments on the company or its employees by law or punishments on employees by the company for violating the internal control regulations with results that may cause significant impacts to the rights and interests of shareholders or the stock price, state the content of punishments, major defects, and improvements: None.

(XI) Important resolutions made by the Annual General Meeting of Shareholders (AGM) and the shareholders' meeting in the previous fiscal year and by the date of annual report publication:

1. Important Resolutions of Shareholders' Meetings and Implementation

Date	Category	Major Resolutions	Implementation
2023/05/31	Annual Meeting of Shareholders	<ol style="list-style-type: none"> 1. Approved the Company's 2022 Business Report and Financial Statements 2. Approved the Distribution of Earnings for 2022 3. Approved the "Rules of the Procedures for Shareholders' Meetings" Amendment List 4. Election of 9 directors of the 13th Board of Directors 5. Approved the lifting of the non-compete restrictions on newly elected directors 	<ol style="list-style-type: none"> 2. The Board of Directors resolved to set July 16, 2023 as the ex-dividend date and July 28, 2023 as the payment date (cash dividends of NT\$10 per share). 3. It has been published on the Company's corporate website and implemented in accordance with the revised procedures. 4. The new director was approved for register by the Ministry of Economic Affairs on July 3, 2023

2. Major Resolutions of the Board of Directors Meetings

Date	Category	Major Resolutions
January 12, 2023	Board of Directors	<ol style="list-style-type: none"> 1. Approved the discussed changes in the remuneration of the Company's managers 2. Approved the discussed payment of performance bonus to managers for 2022 3. Approved the discussed employee remuneration distribution to managers for 2021 4. Approved the discussed ratio of appropriation of employee remuneration for 2022

Date	Category	Major Resolutions
March 14, 2023	Board of Directors	<ol style="list-style-type: none"> 1. Approved the Company's new joint guarantee for the mining land leased by Ruentex Materials Co., Ltd. 2. Approved the discussed employee remuneration distribution for 2022 3. Approved the Company's 2022 Business Report and Financial Statements discussion 4. Approval of the Statement of Internal Audit 2022 5. Approved the earnings distribution proposal for 2022 6. Approved the amendments to the Rules of Procedure for Shareholders' Meetings 7. Approved the election of the Company's directors 8. Passed nomination of the Company's independent and non-independent directors 9. Approved the lifting of the non-compete restrictions on newly elected directors 10. Approval of matters relating to the Company's 2023 AGM. 11. Approved the proposal to approve the provision of non-certification services by the CPAs, their firm, and affiliates of the firm to the Company and its subsidiaries
2023/05/11	Board of Directors	<ol style="list-style-type: none"> 1. Approved the discussion of the 2023 Q1 Consolidated Financial Statements 2. Approved the revision of the "Operating Procedures for Preparation and Certification of Sustainability Reports" of the Company. 3. Approved the amendment the "Internal Control System" and the "Rules for Internal Audit Implementation" of the Company.
2023/05/31	Board of Directors	<ol style="list-style-type: none"> 1. Approved the election of Director Lee, Chih-Hung as the Company's Chairman
2023/06/20	Board of Directors	<ol style="list-style-type: none"> 1. Approval of the appointment of the Company's 5th Remuneration Committee members. 2. Approval of the establishment of the "chief governance officer." 3. Approved the Company's "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises" of the Company. 4. Approved the discussion about signing the "Agreement on Transfer of Ownership of Electric Power Equipment and Facilities in Yangmei Plant" of the Company 5. Approved the discussion on the Company's 2022 Earnings Distribution with the ex-dividend base date and distribution date scheduled
2023/08/11	Board of Directors	<ol style="list-style-type: none"> 1. Approved the discussed changes in the remuneration of the Company's managers for 2023 2. Approved the remuneration to the directors of the 13th board of directors (excluding independent directors) 3. Approval of remuneration to the Company's 13th term of Independent Directors. 4. Approved the discussion to amend the Company's "Bonus Regulations" 5. Approved the discussion on transportation allowances for the members of the Company's functional committees (the 2nd Audit Committee and the 5th term of Remuneration Committee) to attend the meetings 6. Approved the discussion of the 2023 Q2 Consolidated Financial Statements 7. Approval of the amendments to the Company's "Internal Control System."

Date	Category	Major Resolutions
2023/11/07	Board of Directors	<ol style="list-style-type: none"> 1. Approved the discussion of the 2023 Q3 Consolidated Financial Statements 2. Approved the amendments to the Company's "Stock Affairs Units Internal Control System"
2023/12/26	Board of Directors	<ol style="list-style-type: none"> 1. Approved the Company's 2024 Internal Audit Program 2. Approved the Company's 2024 Business Plan 3. Approved the proposal for the revision of the Company's "authority approve" 4. Approved the amendments to the Company's "Corporate Governance Best Practice Principles" and "Sustainable Development Best Practice Principles" 5. Approved the discussion on the Company's 2024 CPA remuneration
2024/02/02	Board of Directors	<ol style="list-style-type: none"> 1. Approved the performance appraisal on the Company's managers in the second half of 2023 2. Approved changes in the compensation of the Company's managerial officers. 3. Approved the discussed payment of performance bonus to managers for 2023 4. Approved the discussed employee remuneration distribution to managers for 2022 5. Approved the discussed ratio of appropriation of employee remuneration for 2023 6. Approved the discussion to amend the Company's "Salary Management Regulations" 7. Approved the proposal for amendments to the Company's "Rules of Procedure for Board of Directors Meetings" and "Audit Committee Charter" 8. Approval of matters relating to the Company's 2024 Shareholders' Meeting.
2024/03/13	Board of Directors	<ol style="list-style-type: none"> 1. Approved the discussed employee remuneration distribution for 2023 2. Approved the Company's 2023 Business Report and Financial Statements discussion 3. Approval of the Statement of Internal Audit 2023 4. Approved the earnings distribution proposal for 2023 5. Approval of issuing new shares for capitalization from earnings for earnings distribution of 2023. 6. Approved the discussion on proposed amendment to the Company's "Articles of Incorporation" 7. Approval of the update of the Company's 2024 shareholders' meeting (addition of discussion items and adoption of video conference to assist the shareholders' meeting)

(XII) In the previous fiscal year and by the date of Annual Report publication, for directors or supervisors who have expressed different opinions on important resolutions with a record or written statement made, please state the content of the different opinion in details: None.

(XIII) In the previous fiscal year and by the date of annual report publication, the summary of the resignation or dismissal of the company's chairman, president, chief accounting officer, chief finance officer, chief internal auditor, chief governance officer, and chief R&D officer: None

V. Information on the Fees Payable to the Attesting Certified Public Accountants:

Unit: NTD in Thousands

Name of CPA Firm	Name of CPA	Accountants' Audit Period	Audit Fee	Non-audit Fee	Total	Remarks
PwC Taiwan	Chin-lien Huang	2023/01/01~2023/12/31	3,500	50 (Note)	3,550	
	Shu-chiung Chang	2023/01/01~2023/12/31				
(Note): The non-audit fees paid to PwC Taiwan in the amount of NT\$50 thousand were to facilitate review of the "Full-time Employee Salary Information Checklist for Non-Executive Functions."						

(I) Upon replacement of certified public accountants, the auditing fee paid in the year of replacement decreased over the auditing fee paid in the year preceding replacement: None.

(II) The audit fee of the current year is less than the year before by more than 10%: None

VI. Replacement of CPA : There is a change of CPA in the last two years and thereafter: None.

VII. Any of the Company's Chairman, President, or Managers Involved in Financial or Accounting Affairs Being Employed by the Auditor's Firm or Any of its Affiliated Companies Within the Most Recent Year; Disclose their Names, Job Titles, and the Periods During Which They Were Employed by the Auditor's Firm or Any of its Affiliated Companies: N/A

VIII. In the Previous Fiscal Year and by the Date of Annual Report Publication, the Equity Transfer and Change in Pledged Equity of the Directors, Managers, and Shareholders with More Than 10% Shareholding

(1) Transfer of Equity Interest by a Director, Managerial Officer, or Shareholder With a Stake of More Than 10 Percent Unit: Shares

Title	Name	2023		As of March 18, 2024	
		Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged	Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged
Chairman	Ruentex Development Co., Ltd.	0	0	0	0
	Representative: Lee, Chih-Hung	0	0	0	0
Director	Yingjia Investment Co., Ltd.	0	0	0	0
	Representative: Mo, Wei-Han	0	0	0	0
Director	Ruen Hua Dyeing & Weaving Co., Ltd.	0	0	0	0
	Representative: Yin, Chung-Yao	0	0	0	0
Director	Ruentex Development Co., Ltd.	0	0	0	0
	Representative: Chang, Kun-Long	0	0	(10,000)	0
Director	Huei Hong Investment Co., Ltd.	0	0	0	0

Title	Name	2023		As of March 18, 2024	
		Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged	Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged
	Representative: Chen, Chih-Chuan	0	0	0	0
Director	Ruentex Development Co., Ltd. (took office on May 31, 2023)	0	0	0	0
	Representative: Lin, Chin-Szu (took office on May 31, 2023)	0	0	0	0
Director	Cao, Sho-Min (dismissed on May 31, 2023)	0	0	-	-
Independent Director	Shen, Xiao-Ling	0	0	0	0
Independent Director	Zheng, Hui-Bin	0	0	0	0
Independent Director	Lin, Kuo-Feng	0	0	0	0
President	Mo, Wei-Han	0	0	0	0
Precast Business Division President	Chan, Yao-Yu (dismissed on March 1, 2023)	0	0	-	-
Construction Business Division President	Lee, Zhen-Hong	0	0	(6,000)	0
Chief Technical Consultant	Ke, Wen-Pin	0	0	0	0
Executive Vice President	Chuang, Chuan-Yeh	0	0	0	0
Planning and Design Department Executive Vice President	Feng, Yi-Tao	0	0	0	0
Valuation Department Vice President	Wu, Tzu-Liang	(114,220)	0	0	0
Vice President	Chin, Cheng-Tai (dismissed on May 1, 2023)	0	0	-	-
Precast Business Division President	Hsu, Kun-Jung	0	0	0	0
Vice President	Liao, Ching-Sung	0	0	0	0
Software Service Department Vice President	Tsao, Chang-Sheng	0	0	0	0
Vice President	Chang, Gong-Chen	(104,000)	0	0	0
Vice President	Chang, Po-Chao	(31,000)	0	0	0
Vice President	Chang, Kun-Long	0	0	(10,000)	0

Title	Name	2023		As of March 18, 2024	
		Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged	Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged
Accounting Department Vice President	Chao, Tsun-Kuo	1,000	0	0	0
Professional Construction Department Vice President	Chang, Chao-Yu	0	0	0	0
Vice President	Su, Yi-Hsien	0	0	0	0
Vice President	Teng, Pin-Pin	0	0	0	0
Vice President	Chien, Chiu-Hsueh	(40,210)	0	0	0
Vice President	Tsai, Shun-Chi	(54,000)	0		0
Electrical and Mechanical Business Division Vice President	Tan, Kuo-Kuang	0	0	0	0
Research and Development Department Vice President	Wang, Jui-Chen	0	0	0	0
Vice President	Hsu, Jin-Qian (dismissed on March 1, 2024)	(19,000)	0	(4,000)	0
Contracting Center Vice President	Fu, Kuo-Chen	0	0	0	0
Vice President	Yang, Kao-Ming	0	0	0	0
Quality Assurance Department and Occupational Health and Safety Department Vice President	Chen, Li-Wei	(80,000)	0	0	0
Vice President	Chen, Chao-Cheng	0	0	0	0
Vice President	Lin, Kuo-Feng	0	0	0	0
Assistant Vice President, Information Department	Lee, Guang-Ming (dismissed on July 1, 2023)	(51,000)	0	-	-

Title	Name	2023		As of March 18, 2024	
		Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged	Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged
Assistant Vice President	Ho, Yen-Chang	0	0	0	0
Assistant Vice President	Hung, Jung-Lin	(42,000)	0	0	0
Assistant Vice President	Yeh, Tsung-Han	0	0	0	0
Assistant Vice President	Lin, Ming-Huang	0	0	0	0
Assistant Vice President	Hung, Jung-Fang	0	0	0	0
Assistant Vice President	Chen, Jung-Ti	15,000	0	0	0
Assistant Vice President	Hsu, Liang-Tsai	(8,220)	0	0	0
Project Assistant Vice President	Liang, Chia-Chou	(12,000)	0	0	0
Project Assistant Vice President	Huang, Pei-Chi	0	0	0	0
Assistant Vice President	Hsu, Tsui-Li	0	0	0	0
Project Assistant Vice President	Wu, Wen-Hung (dismissed on November 16, 2023)	0	0	-	-
Assistant Vice President	Wang, Chih-Chiang	0	0	0	0
Project Assistant Vice President	Chen, Wu-Sung	0	0	0	0
Project Assistant Vice President	Huang, Ming-Chieh	0	0	0	0
Information Security Office Assistant Vice President	Lin, Ming-Yi	(5,000)	0	0	0
Valuation Assistant Vice President	Wu, Shih-Chung	(10,000)	0	0	0

Title	Name	2023		As of March 18, 2024	
		Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged	Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged
Project Assistant Vice President	Kao, Feng-Cheng	0	0	0	0
Assistant Vice President	Cheng, Hung-Hsun	0	0	0	0
Assistant Vice President	Chiu, Chin-Hsiu	0	0	0	0
Assistant Vice President	Chang, Nien-Cheng	0	0	0	0
Project Assistant Vice President	Pan, Cheng-Shan	0	0	0	0
Business Assistant Vice President	Kao, Tao-Yuan	0	0	0	0
Project Assistant Vice President	Wu, Yi-Hsien (dismissed on January 11, 2024)	(4,110)	0	0	0
Project Assistant Vice President	Li, Jung-Che	0	0	0	0
Project Assistant Vice President	Liao, Pin-Hung (dismissed on July 8, 2023)	0	0	-	-
Human Resources Department Assistant Vice President	Jia-ru Wu	0	0	0	0
Assistant Vice President	Liang, Te-Yi	0	0	0	0
Assistant Vice President	Li, Chih-Heng (dismissed on February 1, 2023)	0	0	-	-
Assistant Vice President	Tang, Erh-Sheng	0	0	0	0
Assistant Vice President	Cheng, Chieh	0	0	0	0
Assistant Vice President	Su, Chang-Chun	0	0	0	0
Project Assistant	Han, Chia-Chun	0	0	0	0

Title	Name	2023		As of March 18, 2024	
		Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged	Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged
Vice President					
Assistant Vice President	Chen, Ming-He (took office on April 1, 2023)	0	0	0	0
Human Resources Assistant Vice President	Wang, Ming-Yi (took office on April 13, 2023)	0	0	0	0
Project Assistant Vice President	Kuo, Li-Ping (took office on November 1, 2023)	0	0	0	0
Financial Department Kung-Yi Design Inc.	Chen, Hsueh-Ling	0	0	0	0
Major Shareholder	Ruentex Development Co., Ltd.	0	0	0	0

Note: If the counterparty of equity transfer or equity pledge is a related party, please fill out the following forms.

1. Transfer of Shares:

Name (Note 1)	Transfer of equity Reasons (Note 2)	Transaction date	Transaction Counterparty	The relationship between the counterparty and the Company, its directors, supervisors, managers and shareholders holding more than 10% of the shares	Shares	Transaction price
Chang, Gong-Chen	Disposal (gift)	2023/06/01	Lee○○	Spouse of the Company's Vice President	84,000	-
Chang, Gong-Chen	Disposal (gift)	2023/06/01	Chang○○	Daughter of Vice President of the Company	7,000	-
Chang, Gong-Chen	Disposal (gift)	2023/06/01	Chang○○	Daughter of Vice President of the Company	6,000	-
Chang, Gong-Chen	Disposal (gift)	2023/06/01	Chang○○	Son of Vice President of the Company	7,000	-
Chien, Chiu-Hsueh	Disposal (gift)	2023/06/01	Dong○○	Spouse of the Company's Vice President	20,000	-
Chien, Chiu-Hsueh	Disposal (gift)	2023/06/01	Dong○○	Son of Vice President of the Company	20,210	-
Chen, Li- Wei	Disposal (gift)	2023/12/14	Chou○○	Spouse of the Company's Vice President	60,000	-
Chen, Li- Wei	Disposal (gift)	2023/12/14	Chen○○	Daughter of Vice President of the Company	20,000	-

2. Pledge of Shares: None.

IX. Information on Top 10 Shareholders in Proportion of Shareholdings and who are Stakeholders, Spouses, or Related to One Another or Kin at the Second Pillar under the Civil Code to One Another

Data by: March 18, 2024

Name	Shareholding of the Principal		Shareholdings of Spouse/Minor Children		Shares Held in the Name of Others		Titles or Names of the Top-ten Shareholders Who Have a Relationship With Each Other or a Spouse, or a Kinship of Second Cousin.		Remarks
	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Name	Relationship	
1 Ruentex Development Co., Ltd.	72,397,456	39.14%	0	0	0	0	Yingjia Investment	Yingjia Investment is the Chairman and a Director of Ruentex Development	
							Ruentex Industries	Ruentex Industries is a Director of Ruentex Development	
							Ruentex Xing	Ruentex Xing is a Director of Ruentex Development	
							Hsu, Sheng-Yu	Hsu, Sheng-Yu is a Representative of a Corporate Director of Ruentex Development	
Representative: Jean, Tsang-Jiunn	0	0%	0	0	0	0	Nil	Nil	
2 Ruentex Industries Ltd.	16,821,685	9.10%	0	0	0	0	Ruentex Development	Ruentex Industries is a Director of Ruentex Development	
							Ruentex Xing	Ruentex Xing is a Director of Ruentex Industries	
							Lee, Tien-Chien	Lee, Tien-Chien is a Representative of a Corporate Director of Ruentex Industries	
Representative: Hsu, Sheng-Yu	0	0%	31,100	0.02%	0	0	Ruentex Development	Hsu, Sheng-Yu is a Representative of a Corporate Director of Ruentex Development	
3 Yi Tai Investment Co., Ltd.	13,159,607	7.12%	0	0	0	0	Ruentex Xing	Ruentex Xing is a supervisor of Yi Tai Investment	
							Sheng Cheng Investment	Chang, Kun-Long is a Corporate Chairman Representative of Sheng Cheng Investment	
							Yingjia Investment	Chang, Kun-Long is a Corporate Chairman Representative of Yingjia Investment	
Representative: Chang, Kun-Long	209,200	0.11%	0	0	0	0	Ruen Hua Dyeing & Weaving	Chang, Kun-Long is a Corporate Chairman Representative of Ruen Hua Dyeing & Weaving	
4 Yingjia Investment Co., Ltd.	11,558,690	6.25%	0	0	0	0	Ruentex Development	Yingjia Investment is the Chairman and a Director of Ruentex Development	
							Ruen Hua Dyeing & Weaving	Ruen Hua Dyeing & Weaving is the Chairman and a Director of Yingjia Investment	
							Chang Quan Investment	Chang Quan Investment is a supervisor of Yingjia Investment	
Representative:	209,200	0.11%	0	0	0	0	Sheng Cheng Investment	Chang, Kun-Long is a Corporate Chairman Representative of Sheng Cheng Investment	

Name	Shareholding of the Principal		Shareholdings of Spouse/Minor Children		Shares Held in the Name of Others		Titles or Names of the Top-ten Shareholders Who Have a Relationship With Each Other or a Spouse, or a Kinship of Second Cousin.		Remarks
	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Name	Relationship	
Chang, Kun-Long							Ruen Hua Dyeing & Weaving	Chang, Kun-Long is a Corporate Chairman Representative of Ruen Hua Dyeing & Weaving	
							Yi Tai Investment	Chang, Kun-Long is a Corporate Chairman Representative of Yi Tai Investment	
5 Ruentex Xing Co. Ltd.	5,733,193	3.10%	0	0	0	0	Ruentex Development	Ruentex Xing is a Director of Ruentex Development	
							Ruentex Industries	Ruentex Xing is a Director of Ruentex Industries	
							Ruen Hua Dyeing & Weaving	Ruentex Xing is a supervisor of Ruen Hua Dyeing & Weaving	
							Yi Tai Investment	Ruentex Xing is a supervisor of Yi Tai Investment	
							Chang Quan Investment	Ruentex Xing is a supervisor of Chang Quan Investment	
	Samuel Yen-Liang Yin	Samuel Yen-Liang Yin is a director of Ruentex Xing							
Representative: Lee, Tien-Chien	95,900	0.05%	0	0	0	0	Ruentex Industries	Lee, Tien-Chien is a Representative of a Corporate Director of Ruentex Industries	
6 Qi, Wei-Gong	4,500,820	2.43%	0	0	0	0	Nil	Nil	
7 Ruen Hua Dyeing & Weaving Co., Ltd.	3,540,080	1.91%	0	0	0	0	Chang Quan Investment	Chang Quan Investment is the Chairman and a Director of Ruen Hua Dyeing & Weaving Ruen Hua Dyeing & Weaving is the Chairman and a Director of Chang Quan Investment	
							Ruentex Xing	Ruentex Xing is a supervisor of Ruen Hua Dyeing & Weaving	
							Yingjia Investment	Ruen Hua Dyeing & Weaving is the Chairman and a Director of Yingjia Investment	
							Sheng Cheng Investment	Ruen Hua Dyeing & Weaving is the Chairman and a Director of Sheng Cheng Investment	
							Samuel Yen-Liang Yin	Samuel Yen-Liang Yin is a Corporate Director Representative of Ruen Hua Dyeing & Weaving	
Representative:	209,200	0.11%	0	0	0	0	Sheng Cheng Investment	Chang, Kun-Long is a Corporate Chairman Representative of Sheng Cheng Investment	

Name	Shareholding of the Principal		Shareholdings of Spouse/Minor Children		Shares Held in the Name of Others		Titles or Names of the Top-ten Shareholders Who Have a Relationship With Each Other or a Spouse, or a Kinship of Second Cousin.		Remarks	
	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Name	Relationship		
Chang, Kun-Long							Yingjia Investment	Chang, Kun-Long is a Corporate Chairman Representative of Yingjia Investment		
							Yi Tai Investment	Chang, Kun-Long is a Corporate Chairman Representative of Yi Tai Investment		
8	Sheng Cheng Investment Co., Ltd.	3,320,959	1.80%	0	0	0	0	Ruen Hua Dyeing & Weaving	Ruen Hua Dyeing & Weaving is the Chairman and a Director of Sheng Cheng Investment	
Representative: Chang, Kun-Long	209,200	0.11%	0	0	0	0	0	Ruen Hua Dyeing & Weaving	Chang, Kun-Long is a Corporate Chairman Representative of Ruen Hua Dyeing & Weaving	
								Yingjia Investment	Chang, Kun-Long is a Corporate Chairman Representative of Yingjia Investment	
								Yi Tai Investment	Chang, Kun-Long is a Corporate Chairman Representative of Yi Tai Investment	
9	Diamond Hosiery And Thread Co., Ltd.	2,760,550	1.49%	0	0	0	0	Nil	Nil	
Representative: Yen-Chen, Li-Lien	0	0%	0	0	0	0	0	Nil	Nil	
10	Chang Quan Investment Co., Ltd.	1,824,370	0.99%	0	0	0	0	Yingjia Investment	Chang Quan Investment is a supervisor of Yingjia Investment	
								Ruen Hua Dyeing & Weaving	Chang Quan Investment is the Chairman and a Director of Ruen Hua Dyeing & Weaving Ruen Hua Dyeing & Weaving is the Chairman and a Director of Chang Quan Investment	
								Ruentex Xing	Ruentex Xing is a supervisor of Chang Quan Investment	
	Representative: Samuel Yen-Liang Yin	0	0%	1,393,370	0.75%	0	0	Ruentex Xing	Samuel Yen-Liang Yin is a director of Ruentex Xing	
								Ruen Hua Dyeing & Weaving	Samuel Yen-Liang Yin is a Corporate Director Representative of Ruen Hua Dyeing & Weaving	

X. Investments Jointly Held by the Company, the Company’s Directors, Managers, and Enterprises Directly or Indirectly Controlled by the Company. Calculate Shareholding in Aggregate of the Above Parties:

Comprehensive Ownership

March 18, 2024 Unit: Shares; %

Invested Companies (Note)	Investment of the Company		Comprehensive Investment of the Directors, Managers, and the Invested Companies Directly or Indirectly Controlled by the Company		Comprehensive Investment	
	Number of shares	Sharehold- ing percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
Ruentex Materials Co., Ltd.	58,726,917	39.15%	27,910,083	18.61%	86,637,000	57.76%
Ruen Yang Construction Co., Ltd.	600,000	100.00%	-	-	600,000	100.00%
Ruentex Interior Design Inc.	2,745,483	20.34%	5,894,517	43.66%	8,640,000	64.00%

Note: The Company’s invested company under the equity method.

Four. Fundraising

I. Capital and Shares

(I) Source of Capital

Year/Month	Issuance Price	Authorized Capital		Paid-in Capital		Remark		
		Shares (1,000 Shares)	Amount (NT\$ Thousand)	Shares (1,000 Shares)	Amount (NT\$ Thousand)	Source of Capital	Paid-in Capital Paid with Considerations Other Than Cash	Others
November 1975	10	300	3,000	300	3,000	Founding of the Company	Nil	Jing-(64)-Shang No. 154793 dated November 3, 1975
December 1981	10	900	9,000	900	9,000	Cash Capitalization	Nil	Jing-(70)-Shang No. 25957 dated December 16, 1981
July/1995	10	2,600	26,000	2,600	26,000	Cash Capitalization	Nil	Jing-(84)-Shang No. 996476 dated July 24, 1995
May 1996	10	19,800	198,000	19,800	198,000	Cash Capitalization	Nil	Jing-(85)-Shang No. 120552 dated November 28, 1996
November 2001	10	29,800	298,000	29,800	298,000	Cash Capitalization	Nil	Jing-(090)-Shang No. 09001434210 dated November 9, 2001
September 2002	10	40,000	400,000	40,000	400,000	Cash Capitalization	Nil	Jing-Shou-Shang-Zi No. 09101398270 dated September 26, 2002
March 2006	10	60,000	600,000	60,000	600,000	Cash Capitalization	Nil	Jing-Shou-Shang-Zi No. 09501039040 dated March 8, 2006
April 2006	10	101,851	1,018,511	101,851	1,018,511	Merger of Three Companies	Consolidation Based on Net Worth per Share	Jing-Shou-Shang-Zi No. 09501098460 dated May 26, 2006
August 2006	10	81,851	818,511	81,851	818,511	Cash Reduction	Nil	Jing-Shou-Shang-Zi No. 09501171950 dated August 8, 2006
December 2006	10	120,000	1,200,000	120,000	1,200,000	Cash Capitalization	Nil	Jing-Shou-Shang-Zi No. 09501282190 dated December 15, 2006
June 2008	10	135,000	1,350,000	120,000	1,200,000	-	-	Jing-Shou-Shang-Zi No. 09701140980 dated June 18, 2008

April 2010	10	135,000	1,350,000	135,000	1,350,000	Cash Capitalization	Nil	Jing-Shou-Shang-Zi No. 09901069860 dated April 12, 2010
September 2021	10	300,000	3,000,000	184,950	1,849,500	Capitalization From Earnings	Nil	Jing-Shou-Shang-Zi No. 11001170080 dated September 29, 2021

Note 1: Current year information as of the publication date of the Annual Report should be included.

Note 2: The increase and decrease of capital should be stated with the effective (approved) date and document number included.

Note 3: The stock issued at a value below the face value should be indicated conspicuously.

Note 4: The capital paid with currency credits and technology should be stated with the type and amount of said considerations detailed.

Note 5: The private placement of stock should be indicated conspicuously.

March 20, 2024 Unit: Shares

Type of Shares	Authorized Capital				Unissued Shares	Total	Remark
	Outstanding Shares			Total			
	Listed	Unlisted	Total				
Registered Common Stock	184,950,000	0	184,950,000	115,050,000	300,000,000		

(II) Shareholder Structure

March 18, 2024 Unit: Shares; %

Shareholder Structure	Government Agency	Financial Institutions	Other Juridical Person	Individual	Foreign Institution and Foreigners	Total
Quantity						
Number of People	0	4	62	8,530	74	8,670
Number of shares held	0	1,076,070	134,727,997	45,912,291	3,233,642	184,950,000
Shareholding Ratio (%)	0	0.58	72.85	24.82	1.75	100.00

(III) Equity Distribution (Face Value of NT\$10 per Share)

March 18, 2024 Unit: Shares; %

Shareholding Bracket	Number of	Number of shares	Shareholding Ratio (%)
1 to 999	4,127	366,751	0.20%
1,000 to 5,000	3,386	6,550,421	3.54%
5,001 to 10,000	491	3,664,981	1.98%
10,001 to 15,000	197	2,504,787	1.35%
15,001 to 20,000	90	1,596,785	0.86%
20,001 to 30,000	115	2,838,245	1.54%
30,001 to 40,000	74	2,595,093	1.40%
40,001 to 50,000	33	1,502,640	0.81%
50,001 to 100,000	71	5,084,087	2.75%
100,001 to 200,000	43	5,824,859	3.15%
200,001 to 400,000	20	5,675,251	3.07%
400,001 to 600,000	5	2,429,710	1.31%
600,001 to 800,000	1	733,930	0.40%
800,001 to 1,000,000	2	1,712,080	0.93%
1,000,001 to 5,000,000	10	22,199,749	12.00%
5,000,001 to 10,000,000	1	5,733,193	3.10%
10,000,001 to 20,000,000	3	41,539,982	22.47%
20,000,001 and above	1	72,397,456	39.14%
Total	8,670	184,950,000	100.00%

(IV) List of major shareholders: List all shareholders with a stake of 5 percent or more, and if those are fewer than 10 shareholders, also list all shareholders who rank in the top 10 in shareholding percentage, and specify the number of shares and stake held by each shareholder on the list:

March 18, 2024; Unit: Shares

Name of Major Shareholders	Shares	Number of shares held	Shareholding Ratio (%)
Ruentex Development Co., Ltd.		72,397,456	39.14%
Ruentex Industries Ltd.		16,821,685	9.10%
Yi Tai Investment Co., Ltd.		13,159,607	7.12%
Yingjia Investment Co., Ltd.		11,558,690	6.25%
Ruentex Xing Co. Ltd.		5,733,193	3.10%
Qi, Wei-Gong		4,500,820	2.43%
Ruen Hua Dyeing & Weaving Co., Ltd.		3,540,080	1.91%
Sheng Cheng Investment Co., Ltd.		3,320,959	1.80%
Diamond Hosiery And Thread Co., Ltd.		2,760,550	1.49%
Chang Quan Investment Co., Ltd.		1,824,370	0.99%

(V) Price per Share, Net Worth, Earnings, and Dividends, Relevant Information for the Last Two Years

Unit: NTD thousands; Thousands of Shares; %

Item		Year	2022	2023	The current year as of March 20, 2024 (Note 5)
		Market Price per Share	Maximum		156.00	130.00	158.00
Minimum			80.00	97.80	115.00
Average			118.24	115.08	138.03
Net Value per Share	Before Distribution		35.32	34.98	-
	After Distribution		25.32	(Note 1)	-
Earnings per share	Weighted Average Shares		184,950	184,950	-
	Earnings per share	Before Retroactive Adjustment	11.14	10.28	-
		After Retroactive Adjustment	-	-	-
Dividends per Share	Cash dividends		10	5.4 (Note 1)	-
	Stock Dividends	Stock Dividends From Earnings	-	4.0 (Note 1)	-
		Stock Dividends From Paid-in Capital	-	-	-
	Accumulated Unpaid Dividends		-	-	-
Return on Investment Analysis	Price-to-Earnings Ratio (P/E Ratio) (Note 2)		10.61	11.19	-
	Ratio of Dividends (Note 3)		11.82	21.31	-
	Cash Dividend Yield Rate (Note 4)		8.46%	4.69%	-

Note 1: The distribution of the Company's earnings of 2023 was resolved by the Board of Directors on March 13, 2024. Pursuant to the Company's Articles of Incorporation and laws, the cash dividends shall come to NT\$5.4 per share. Appropriations of earnings in stock dividends to shareholders NT\$ 4.0 per share. The aforementioned issue is pending for resolution by the shareholders' meeting.

Note 2: P/E ratio = Average closing price per share/Earnings per share for the year.

Note 3: Ratio of dividend = Average closing price per share/Cash dividends per share for the year.

Note 4: Cash dividend yield rate = Cash dividends per share/Average closing price per share for the year.

Note 5: By the date of annual report publication, no CPA-reviewed financial data for Q1 2023 is available.

(VI) The Company's Dividend Policy and Implementation

1. Dividend Policy of the Company

(1) The Company sets its dividend policy pursuant to the Company Act and the Company's Articles of Incorporation, taking into account the Company's capital and financial structure, conditions of business operation, earnings, the attributes of industries and cycles concerned. The Company pays dividends by means of either stock dividend or cash dividends.

However, dividends to shareholders shall be paid in the amount of no less than 50% of the balance of the net profit after tax for the year deducting the provision for legal reserve and various special reserves, within the balance of the distributable earnings

for the current year. For cash dividends, the ratio of cash dividend shall not be less than 30% of the total dividends for the year.(The aforementioned issue is pending for resolution by the shareholders' meeting.)

(2) As expressly provided for in Article 27 of the Articles of Incorporation, with the surplus earnings after final account settlement process, the dividend shall be distributed based on the priority order as enumerated below:

(I) First pay income tax.

(II) Make up loss accumulated in previous year, if any.

(III) Amortize 10% as legal reserve unless the accumulated legal reserve is up to the total paid-in capital of the Company.

(IV) Amortize or rotate special reserve as required by law or the competent authority.

(V) For the balance after deduction of the sums under Paragraphs (1)-(4), the Board of Directors shall propose the allocation to be duly allocated after being submitted and resolved in the shareholders' meeting.

The Company shall allocate special reserve in the manners listed below:

(I) With respect to the book net amount of other deductions from equity for the period in which it arises, an equivalent amount of special reserve shall be allocated from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that is included in the undistributed earnings. If there remains any insufficiency, it shall be allocated from the undistributed earnings of the previous period.

(II) With respect to the cumulative net amount of other deductions from the equity in a preceding period, the Company shall allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period.

2. Implementation Status:

The distribution of the Company's earnings of 2023 was resolved by the Board of Directors on March 13, 2024. Pursuant to the Company's Articles of Incorporation and laws, the cash dividends shall come to NT\$5.4 per share. Appropriations of earnings in stock dividends to shareholders NT\$ 4.0 per share. The aforementioned issue is pending for resolution by the shareholders' meeting.

(VII) The impact of the stock dividends proposed in the current Shareholders Meeting on the Company's operating performance and earnings per share:

Item		Year	2023 (Estimated)
Paid-in capital at the beginning of the period (Unit: NTD)			1,849,500,000
Stock/ cash dividend distribution in the year (Note 1)	Cash dividend per share (Unit: NTD)		5.4
	Capital increase by earnings, allotment of shares per share		0.4 shares
	Capitalization from capital reserves, allotment of shares per share		Zero
Changes in operating performance	Operating Profit		Not applicable (Note 2)
	Increase (decrease) ratio of operating profit over the same period of previous year		
	Net profit after tax		
	Increase (decrease) ratio of net profit over the same period of previous year		
	Earnings per share		
	Increase (decrease) ratio of EPS over the same period of previous year		
Annualized ROI (inverse of annualized P/E ratio)			
Pro forma	If converting the	Pro forma EPS	

EPS and P/E ratio	capitalization from earnings entirely to cash dividend allotment	Pro forma annualized ROI	
	If no capitalization from capital reserves	Pro forma EPS	
		Pro forma annualized ROI	
	If no capitalization from capital reserves and converting the capitalization from earnings to cash dividends allotment	Pro forma EPS	
Pro forma annualized ROI			

Note 1: The 2023 stock dividend from earnings was approved by the Board of Directors on March 13, 2024, and is yet to be resolved by the shareholders' meeting.

Note 2: According to Tai-Cai-Zheng-(1)-Zi No. 00371 issued on February 1, 2000, not applicable as the Company has not disclosed its financial forecast.

(VIII) Remuneration to Employees and Directors

1. The percentages or scope of the remuneration to employees and remuneration to directors a set forth under the Articles of Incorporation.

(1) Per Article 26 of the Company's Articles of Incorporation:

When the Company has a profit in a fiscal year, at least 1% of such profit shall be distributed as the employees' compensation. If the Company has accumulated losses, an equivalent amount from the profit earned shall be reserved to make up for losses. The aforementioned employee compensation may be paid in stock or cash and shall be adopted by a majority of the directors at a meeting attended by at least two-thirds of the directors, and shall be reported at the shareholders' meeting. Employee compensation is distributed to employees of control or subordinate companies who meet certain criteria.

(2) The remuneration to directors is not stipulated in the Company's Articles of Incorporation.

2. The basis for the estimated amount of employee remuneration and the remuneration of directors in the current period, the calculation basis for the number of shares for employee remuneration distributed in stock, and the accounting treatment applied when the actual amount distributed is different from the estimated amount:

The Company's compensation to employees for 2023 is based on the profitability of the year (i.e., income before income tax, net of benefit before employee compensation) less accumulated deficits, and if there is any surplus to be appropriated, it is estimated to be at least one percent of the amount specified by the Articles of Incorporation. If the actual amount of distribution differs from the estimated amount, it is recorded as income or loss in the year of distribution.

3. The distribution of remuneration resolved by the Board of Directors:

(1) Remuneration to employees and directors paid in cash or with stock dividends. If it is different from the estimated amount of the expense recognition year, the difference amount, cause, and treatment should be disclosed:

A. On March 13, 2024, the Board of Directors resolved to distribute employees' remuneration for the year 2023 in the amount of NT\$23,534,675, all of which was to be paid in cash.

B. There is no difference between the distributed amount and the estimated amount.

Unit: New Taiwan Dollars

Distribution	Current Year (2023)				
	Estimated Amount in the Expense Recognizing Year	Distribution Amount Resolved by the Board of Directors	Difference	Reason for Difference	Handling
Remuneration to Employees in Cash	\$23,534,675,	\$23,534,675,	0	Nil	Nil

(2) The percentage of remuneration to employees allocated by means of stocks to the total amount of remuneration to employees and the aggregate total of the net profit after tax and total remuneration to employees as shown in the individual or respective financial statements of the current term: This Board of Directors' meeting did not approve any distribution of employee stock-based compensation. This is, therefore, not applicable.

4. The actual distribution of employee, director, and supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated.

(1) Unit: New Taiwan Dollar

Distribution	Previous Year (2022)				
	Estimated Amount in the Expense Recognizing Year	Distribution Amount Resolved by the Board of Directors	Difference	Reason for Difference	Handling
Remuneration to Employees in Cash	25,213,540	25,213,540	0	Nil	Nil

(2) The Actual Distribution of Employee, Director, and Supervisor Compensation for 2022:

Unit: NTD in Thousands

Title	Name	Stock Amount	Cash Amount	Total	Percentage in Net Earnings After Tax (%)
President	Mo, Wei-Han	0	25,513	25,513	1.24
President of the Construction Business Division	Lee, Zhen-Hong				
General technical consultant	Ke, Wen-Pin				
Vice President	Hsu, Jin-Qian				
Vice President	Tsai, Shun-Chi				
Executive Vice President	Feng, Yi-Tao				
Vice President	Chang, Po-Chao				
Vice President	Tsao, Chang-Sheng				
Vice President	Teng, Pin-Pin				
Vice President	Su, Yi-Hsien				
Vice President	Liao, Ching-Sung				
Vice President	Wang, Jui-Chen				
Vice President	Chao, Tsun-Kuo				
Executive Vice President	Chuang, Chuan-Yeh				
Vice President	Chien, Chiu-Hsueh				

Title	Name	Stock Amount	Cash Amount	Total	Percentage in Net Earnings After Tax (%)
Vice President	Zhang, Kun-Long				
Vice President	Hsu, Kun-Jung				
Vice President	Wu, Tzu-Liang				
Vice President	Chang, Gong-Chen				
Vice President	Chang, Chao-Yu				
Vice President	Tan, Kuo-Kuang				
Vice President	Fu, Kuo-Chen				
Vice President	Yang, Kao-Ming				
Vice President	Chen, Li-Chun				
Vice President	Chen, Chao-Cheng				
Vice President	Lin, Guof-eng				
Business Assistant Vice President	Kao, Tao-Yuan				
Project Assistant Vice President	Liang, Chia-Chou				
Assistant Vice President	Yeh, Tsung-Han				
Assistant Vice President	Cheng, Hung-Hsun				
Assistant Vice President	Hung, Jung-Lin				
Assistant Vice President	Hung, Jung-Fang				
Assistant Vice President	Chang, Nien-Cheng				
Assistant Vice President	Chen, Jung-Ti				
Assistant Vice President	Ho, Yen-Chang				
Valuation Assistant Vice President	Wu, Shih-Chung				
Project Assistant Vice President	Lin, Ming-Yi				
Assistant Vice President	Lin, Ming-Huang				
Project Assistant Vice President	Chen, Wu-Sung				
Project Assistant Vice President	Huang, Ming-Chieh				
Project Assistant Vice President	Kao, Feng-Cheng				
Assistant Vice President	Chiu, Chin-Hsiu				
Assistant Vice President	Hsu, Liang-Tsai				
Assistant Vice President	Wang, Chih-Chiang				
Project Assistant Vice President	Huang, Pei-Chi				
Project Assistant Vice President	Pan, Cheng-Shan				
Assistant Vice President	Jia-ru Wu				
Project Assistant Vice President	Li, Jung-Che				
Assistant Vice President	Tang, Erh-Sheng				
Assistant Vice President	Liang, Te-Yi				
Assistant Vice President	Cheng, Chieh				
Assistant Vice President	Su, Chang-Chun				
Project Assistant Vice President	Han, Jia-jun				
Assistant Vice President	Chen, Ming-he				
Project Assistant Vice	Guo, Li-ping				

Title	Name	Stock Amount	Cash Amount	Total	Percentage in Net Earnings After Tax (%)
President					
Assistant Vice President	Hsu, Tsui-Li				
Finance Manager	Chen, Hsueh-Ling				
Audit Manager	Tai, Meng-Fang				
General Employee	Omitted				

Note: The Company's Articles of Incorporation provide for no remuneration to directors; an Audit Committee was established on June 22, 2020 to replace the supervisors.

(IX) Stock shares repurchased by the Company: NA

II. Corporate Bond Issuance: None

III. Preferred Stock Issuance: None

IV. Disclosure in Relation to Depository Receipts: None

V. Employee Stock Warrants Issuance: None

VI. New Restricted Employee Shares Issuance: None

VII. Disclosure on New Shares Issued for Business Combination (Including Merger, Acquisition, and Divestment) or Share Exchange:

- (I) In the most recent year and as of the Annual Report publication, the Company has completed the acquisition or transfer of shares of the Company to issue new shares: None.
- (II) In the most recent year and as of the Annual Report publication, the acquisition or transfer of shares of the Company to issue new shares resolved by the Board of Directors: None

VIII. Fund Implementation Plan:

- (I) Description of the Plans: An analysis or the period as of the quarter preceding the date of publication of the Annual Report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent three (3) years but have not yet fully yielded the planned benefits: Not applicable.
- (II) Status of Implementation: With respect to funds usage under the plans referred to in the preceding subparagraph, the Annual Report shall (for the period as of the quarter preceding the date of publication of the Annual Report) analyze the status of implementation and compare actual benefits with expected benefits. Where implementation has failed to yield the expected progress or benefits, the Annual Report shall provide specific reasons for such failure, explain any effect it might have upon shareholders' equity, and outline the plan for correcting the situation: Not applicable.

Five. Operational Overview

I. Business Content:

(I) Business Scope

1. Main Content of the Business:

- (1) Contract of construction and civil engineering
- (2) Electrical and mechanical installation works, water installation works, and refrigeration and air-conditioning works.
- (3) Production and sale of precast beams, columns, floor plates, exterior walls, and various precast structural components for civil engineering.
- (4) Production and sale of cement and clay wall priming materials, tile adhesives, and dry-mix cement mortar.
- (5) Contracting of interior design and decoration projects.
- (6) Planning, design, and consulting of civil engineering and precast projects.
- (7) Distribution of aforementioned building materials and equipment, and import and export trading.

2. Product Categories and Proportions in the Business

The proportion of the Company's operating revenues for 2023 is shown below:

Unit: NTD in Thousands; %

Item	Amount	Ratio (%)
Revenue from construction contracts	18,668,335	82.96
Revenue from sales of goods (Note 1)	3,716,526	16.52
Revenue from contract for service (Note 2)	6,898	0.03
Other revenue from contracts (Note 3)	110,767	0.49
Total	22,502,526	100.00

Note 1. Revenue from sales of goods includes sales of cement and ready-mixed mortar materials.

Note 2. Revenue from contract for service includes income from technical consultation.

Note 3. Other revenue from contracts includes revenue from reprocessing of cement reducing slag waste.

3. The Company's current product portfolio

March 20, 2024

Project Category	Project Name	Purpose	Sales Area
Public Construction	Taipei City Wanhua Huajiang Section 2 Social Housing Construction Turnkey Project	Residential Building	Taipei City
	Sanchong Jie 6 New Construction Project	Residential Building	New Taipei City
	Turnkey project of Puxin Anju social housing in Yangmei District, Taoyuan City	Residential Building	Taoyuan City
	RDE new turnkey project	Medical buildings	Kaohsiung City
Private Housing	Ruentex Xinyi New Construction Project	Residential Building	Taipei City
	Ruentex Da'an Fuyang New Construction Project	Residential Building	Taipei City
	Ruentex Construction Qingtian Street New Construction Project	Residential Building	Taipei City
	Ruentex Innovative Development new construction of Yucheng Section	Residential Building	Taipei City

Project Category	Project Name	Purpose	Sales Area
	Runtai Innovation Nanhai Section Demolition Project	Residential Building	Taipei City
	Runtai Innovation Nangang Star New Project	Office buildings	Taipei City
	Guangfu South Road PC Precast Project	Residential Building	Taipei City
	Fubon Property & Casualty Insurance Building New Construction Project	Office buildings	Taipei City
	TransGlobe Life Insurance's headquarters building project	Office buildings	Taipei City
	Taipei Veterans General Hospital's precast dormitory project	Hospital	Taipei City
	Ruentex Development Wuguwang B new construction	Residential Building	New Taipei City
	Ruentex Development Wuguwang A new construction	Residential Building	New Taipei City
	Ruentex Development Yangbei new construction	Residential Building	New Taipei City
	Yang Er Sixin Section Land No. 25 - PC precast project	Residential Building	New Taipei City
	Yang Yi Sixin Section - PC precast project	Residential Building	New Taipei City
	Cheng Chueh Temple Xuanzang Religious Culture Park construction project	Temple	Miaoli County
	Spiritist Center Phase 3 new construction	Church	Taichung City
	Dharma Drum Mountain Nantiantai Ziyun Temple expansion project	Residential Building	Kaohsiung City
High-Tech Engineering	MS TPE03 preliminary construction project	Plant	Taoyuan City
	T Project AP6A precast project	Plant	Hainchu County
	GBC Zhubei Plant new construction	Plant	Hainchu County
	F20P1 FAB shell package-A1B1 Xuan Engineering	Plant	Hainchu County
	F20P1 FAB shell package-A2B2 Xuan Engineering	Plant	Hainchu County
	Phison Electronics's innovation building construction project	Plant	Miaoli County
	T Project Zhunan AP6B-FAB Precast Project	Plant	Miaoli County
	MMT P3 PARKING TOWER	Plant	Taichung City
	TCP2 CSA civil engineering project	Plant	Taichung City
	CHG-5- PC precast project	Plant	Taichung City
	CHW2204 new construction project	Plant	Changhua County
	New construction of T Project Nanke Assembly and Test Plant C	Plant	Tainan City
	F18P8O Office Building Xixuan Project	Plant	Tainan City
	F22P1 FAB shell package Xixuan Engineering	Plant	Kaohsiung City
Lite-On Technology Kaohsiung Manufacturing Center Phase II Factory Building Project	Plant	Kaohsiung City	

Project Category	Project Name	Purpose	Sales Area
	Molie Quantum Energy Corporation Kaohsiung lithium battery plant new construction	Plant	Kaohsiung City
	ATP Electronics's plant construction (in Taiwan Ciaotou Science Park) project	Plant	Kaohsiung City

4. New Products to be Developed

High-tech plant turnkey (Design-Build) projects, high-quality social housing construction, modular and standardized assembled components, special civil construction materials, special insulation and vibration-damping design and installation.

(II) Industry Overview:

1. Status Quo of the Industry and Development Prospects

Construction is a fundamental industry of various construction projects, and its prosperity is closely related to the overall economic development of the country. It is an indicator of the economy of a nation and is called a "locomotive industry". In terms of total registered capital, the total capital of the construction industry in Taiwan in 2023 was NT\$982.5 billion, an increase of NT\$34.03 billion compared with 2022, about 1.51 times the total capital in 2013. The average capital of each business was NT\$38.86 million, about 1.28 times higher than NT\$38.86 million in 2013. In recent years, the housing market has been bearish, and the increasing number of construction companies and their capitalization shows that the competition in the construction industry is very fierce nowadays.

Unit: House; NT\$10,000

End of Year	Grand Total		Grades A, B, and C		Specialized Construction		Civil Engineering Contracting		Total
	Houses	Total Capital	Houses	Total Capital	Houses	Total Capital	Houses	Total Capital	Average Capital
2013	16,769	65,167,203	9,988	37,712,251	369	26,677,798	6,412	777,154	3,886
2014	17,149	76,652,190	10,222	38,809,124	394	37,033,668	6,533	809,398	4,470
2015	17,459	77,965,570	10,427	39,854,480	405	37,272,420	6,627	838,670	4,466
2016	17,432	79,448,815	10,455	40,417,050	459	38,189,899	6,518	841,866	4,558
2017	17,982	80,202,365	10,686	41,080,554	470	38,238,119	6,826	883,692	4,460
2018	18,400	82,651,588	10,933	42,742,728	521	38,965,574	6,946	943,285	4,492
2019	18,706	85,231,217	11,145	44,662,790	547	39,582,890	7,014	985,537	4,556
2020	19,028	87,650,469	11,376	46,277,358	557	40,361,836	7,095	1,011,275	4,606
2021	19,266	91,152,824	11,582	48,782,080	561	41,333,396	7,123	1,037,348	4,731
2022	19,559	94,847,783	11,839	51,246,575	566	42,536,141	7,154	1,065,067	4,849
2023	19,798	98,250,734	12,064	146,999,699	595	42,855,435	7,139	1,091,258	4,963

Source: National Statistics ROC>National Statistics>Industrial and Mining Industries>Construction Industry Statistics>Number of Construction Companies and Capital

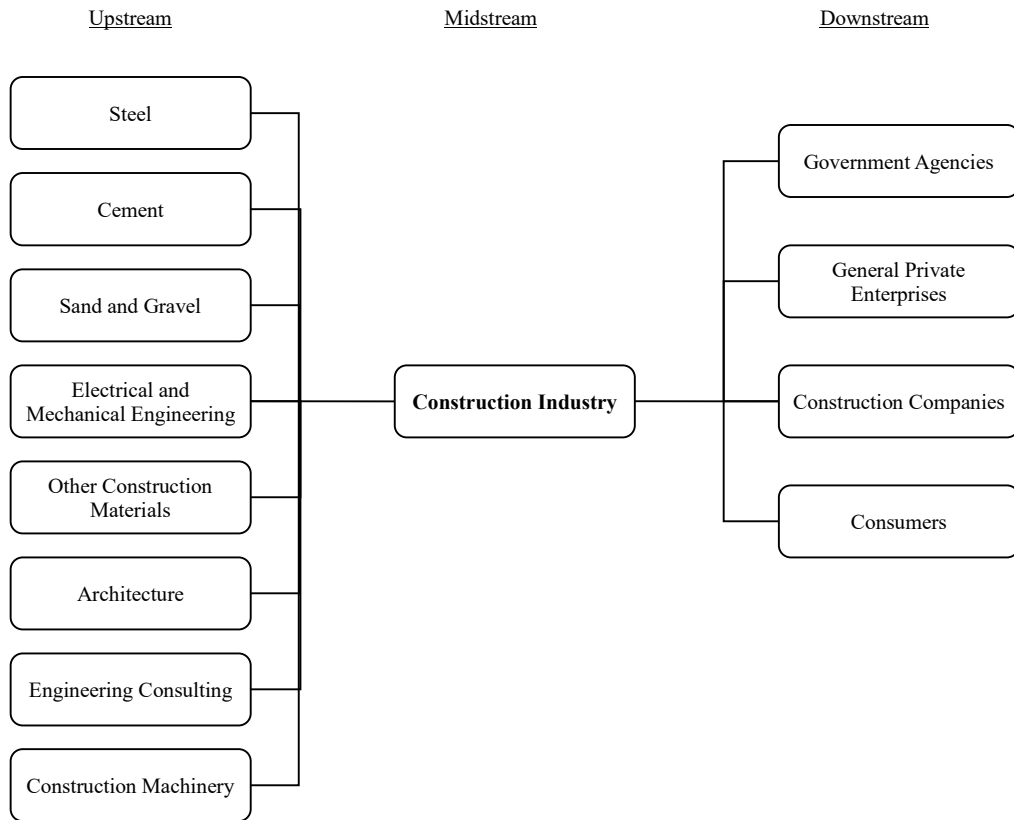
The construction industry is an industry driven by domestic demand, which is prone to be affected by the domestic economic situation and policies. As the domestic pandemic symptoms are becoming mild and people are learning to co-exist with the virus, business activities are gradually recovering. With the continuous investments in relevant semiconductor supply chains in the private sector and the continuous construction of public green energy construction projects launched by the government, the government continues to launch forward-looking infrastructure construction projects and enhance the real estate market. To stabilize social development, the main government policies are as follows:

- (1) Improve the housing market and the rental housing system, accelerate the promotion of social housing policies, protect the housing rights of young people and disadvantaged households, provide assistance with diversified housing, and implement housing justice; accelerate urban renewal, dangerous and old buildings reconstruction, and speed up the solution to the five problems. In terms of land, we will implement the three major strategies of "public land concessional release, private idle land counseling and release, industrial land development and renewal", and use the special budget for forward-looking infrastructure to subsidize the

construction or improvement of public facilities and continue to release industrial land.

- (2) Strengthen the service function and quality of public facilities; enhance composite disaster prevention measures to build a smart, energy-saving and livable environment.
- (3) The government works to improve all projects and review the funds, implements energy conservation and carbon reduction measures for public construction. Various government agencies duly inspect all such projects. The government launches forward-looking and strategic infrastructure construction projects and motivates the construction industry to expand into overseas markets. It is building public construction cloud systems to accelerate the digitalization of government procurement. It strives to implement a fair government procurement system and adopt a full life cycle procurement strategy to improve performance and quality. The government adopts the most advantageous tender method. To effectively enhance the quality of government procurement, the government has changed to adopt the most advantageous tender method for major project procurement. The government has also continued to promote the use of electronic procurement services to facilitate open and transparent procurement, improving government procurement regulations and introducing a full life-cycle procurement strategy. To improve the efficiency and quality of government procurement, the government aims to make good use of the procurement mechanism, and to handle government procurement disputes promptly, objectively, and fairly.
- (4) Accelerate the process of environmental assessment and land change, promote spatial re-engineering of land, create a low-carbon society, enhance adaptation capabilities to climate change, clean up and review idle state-owned land, revitalize public land and assets, and develop indicative state-owned land to drive regional development and revitalize the economy.
- (5) Actively promote private investment, attract foreign companies to invest in Taiwan, guide venture capital to invest in strategic service industries, adopt innovative financial strategies, assist in raising funds for public construction, and actively promote participation in projects to attract domestic capital and mainland China (foreign) capital to invest in public construction.

2. Relationship Between the Upstream, Midstream, and Downstream Sections of the Industry:



3. Product Development Trends and Competition

(1) Product Development Trends

① Precast Scale Expansion

In response to a labor shortage due to a low fertility rate, the precast of construction projects has become a long-term trend, and the quality and cost control are ensured by means of factory module specialization, which has been increasingly accepted by the market.

② Turnkey Capability Development

The turnkey system has been practiced for years in engineering industries abroad and has the advantage of streamlining management and workflow. There are also many successful cases of turnkey projects in Taiwan, and it is expected to become a domestic trend as well.

(2) Competition

According to the Taiwan Regional Engineering Contractors Association, as of the end of 2023, there were 19,798 registered domestic companies. However, about 84% of the companies were small and medium-sized, with immature constitution, defective financial structure, and insufficient engineering staff.

The Company was founded in 1975 and has accumulated a wealth of experience in engineering. The quality and progress of the Company's projects have been acknowledged by owners, making the Company competitive and trustworthy in the industry.

(III) Profile of technology and research & development:

1. Technology and Research and Development of the Company's Business Functions and Duties

The Company's business activities cover the planning, design, construction, and maintenance of construction projects. All items related to the above, such as construction methods, precast manufacturing, design, materials, electrical and mechanical, etc., are all targets for R&D and improvement. With the encouragement and support from the management, the R&D department has been coordinating the implementation and promotion of technical R&D, making innovation and R&D a company culture and accumulating valuable intellectual assets for the Company. By the end of 2023, the team had obtained 745 patents from 19 countries around the world and received 259 awards.

The Company's technology development is based on precast as the core. For its main business areas, such as residential buildings, office buildings, plants, etc., the Company develops patented technologies, including design, manufacturing, and construction, among which the more characteristic ones are the precast laminated method, precast lattice method, and precast vibration isolation layer method. Over the years, these techniques have become the differentiation tool for the business to win orders. Among them, column multi-screw reinforcement has the advantages of labor saving, material saving, and ease of automation. It has been incorporated into the domestic reinforced concrete design standard and promoted to bridge projects, becoming one of the bridge construction automation indicator technologies. In addition, the high-tech factory precast method can shorten the construction time and reduce the labor demand for high-tech factories, and provide more accurate factory construction services for the technology industry. It has become an important part of the Company's business. The patent of this technology was awarded the silver medal in the "2020 National Invention and Creation Award" by the Bureau of Intellectual Property, Ministry of Economic Affairs, and is the only winner in the construction industry.

In response to the demand for high-rise SRC structures in the residential and commercial markets, the Company has begun to develop a new type of precast concrete structures

(PCS) since 2019. It is a steel reinforced concrete (SRC) structure system combining steel beams and precast columns. After a series of structural performance tests, this technique was proven to be excellent in structures and earthquake resistant. So far, we have applied for 13 domestic and overseas patents of the PCS technique and obtained an approval notice for this new construction technique from the Construction and Planning Agency, Ministry of the Interior, in 2022. We successfully applied the technique to high-rise commercial buildings in the Yucheng Section of Nangang. Expected to be completed and put into use in 2024.

The population aging and declining birth rate trend has caused structural changes in Taiwan's labor market. The severe shortage of manpower in the traditional construction industry has become a critical issue for the construction industry. Also, the Net Zero goal by 2050 and the ESG trend have posed more challenges and risks to this industry. At this critical moment of industrial transformation, we adjust the Company's research and development direction flexibly in real time and continue to develop pragmatic and reasonable construction techniques from the perspectives of full life cycle and sustainability.

2. Cost Devoted to Research and Development in the Most Recent Year up to the Date the Annual Report was Published:

Expressed in Thousand New Taiwan Dollars, %

Item	2023	As of February 29, 2024 (Note)
Annual R&D Expenditures (A)	88,842	12,168
Annual Revenue (B)	22,502,526	3,436,464
(A)/(B)	0.39%	0.35%

Note: Self-assessed financial data of the previous quarter by the date of annual report publication.

3. Technologies or Products in the Most Recent Year and as of the Publication Date of the Annual Report:

Year	Technology
2023	<ol style="list-style-type: none"> 1. Development of carbon reduction technologies for construction 2. Development of cylindrical PCS structure 3. SRC pre-cladding compound housing construction method 4. Precast housing construction method 5. Construction method of parapet wall 6. New safety railings for construction 7. Pre-assembly of Shear Wall Reinforcement Cage 8. Development of UHPC ultra high performance concrete 9. Rooftop solar base and construction method 10. Combination technology of aluminum and wooden molds 11. Precast culvert construction method 12. Application and development of new generation high-performance concrete (HPC) 13. Design of the tip of Pixu trabeculae
2024/01/01 to 2024/03/20	<ol style="list-style-type: none"> 1. Development of carbon reduction technologies for construction 2. Construction waste reduction 3. Precast housing construction method 4. Adjustment mechanism for aluminum mold construction 5. Application and development of new generation high-performance concrete (HPC) 6. Design of the tip of Pixu trabeculae 7. Development of beam support frame

(IV) Long-term and Short-term Business Development Plans:

1. Short-term Business

The Company is actively involved in various social housing projects and public construction projects in Taiwan, with a focus on the most advantageous tender projects with high quality competition and turnkey projects of design and construction. In the civil works section, the Company strives to contract for construction projects such as high-class residential buildings, high-tech factories, office buildings, shopping malls, and hotels, as well as for cases with special needs in terms of schedule and quality. Main business development strategies are as follows:

Aspect	Key Points of Strategy
Establish key competitiveness	1. Cost control.
	2. Talent utilization.
	3. Technology upgrade.
	4. Self-owned construction team.
Strengthening the	1. Continue R&D and innovation.

advantages of Synergy	2. Advanced pre-casting method.
	3. Make full use of the advantages of turnkey contract (consultation + construction).
	4. Strengthen software application (design, synchronous operation).
	5. KM (Knowledge Base).
First choice for high-tech manufacturers	1. Contracted for the entire FAB factory of TSMC.
	2. High-tech factory service SOP.

2. Long-term Business

In addition to continuing to develop and innovate new methods and technologies to improve quality, shorten construction time, and add value to customers, the Company also plans to apply its existing special engineering technologies such as rapid construction of vibration isolation layers, patented precast components (e.g., pre-cast lattice plates, etc.), and 3D integration of electrical and mechanical systems to various projects. In addition, the Company's engineering expertise is integrated with finance, human resources, administration, information competencies, and other interface management to diversify its capabilities and strengthen the Company's image. Integrity and customer satisfaction are always put first. The Company strives to enhance competitiveness and works towards sustainability.

- (1) Work with the industry, government, and academia to promote mortar product specifications and various certifications.
- (2) Export sales of new products (such as grouting materials for dry wall systems) and application for overseas certification.
- (3) Develop new products to meet market demand and pioneer market trends.
- (4) Promote the introduction and development of new construction equipment, and assist in the training of construction techniques for all types of work crews to improve construction efficiency.
- (5) Use the BIM system to help business development and client integrated design, construction management, and maintenance information of facilities and equipment after building construction completion.
- (6) Continuing its mission of being the best in the industry, the Company uses 3D and 4D information tools extensively to provide customers with high quality, faster, and value-added services with specific and transparent integration of differentiated services, and to widen the gap between competitors.

II. Market and Production/Distribution Overview

(I) Market Analysis

1. Project Area Distribution in the Past Two Years

Unit: NTD in Thousands; %

Item \ Year		2022		2023	
		Amount	Percentage	Amount	Percentage
Project	North	10,240,528	41.66%	12,759,952	56.70%
	Central	4,747,686	19.31%	2,951,642	13.12%
	South	6,549,836	26.64%	2,956,741	13.14%
	East	-	-	-	-
Sale of goods		3,041,271	12.37%	3,827,293	17.01%

Services	3,746	0.02%	6,898	0.03%
Total	24,583,067	100.00%	22,502,526	100.00%

2. Market Share

The domestic construction market has a large scale, but the market share of each construction company is very low. Favorable competitive niches such as an integrated construction team, rich engineering experience, and excellent construction quality, help the Company get project contracts and further increase its market share.

Unit: NTD in Hundred Millions; %

Year	Revenue of the Company	Revenue of the Specialized Construction Industry	Market share
2019	116	24,806	0.47%
2020	145	26,828	0.54%
2021	213	30,731	0.69%
2022	246	35,996	0.68%
2023	225	38,754	0.58%

Source: Monthly Financial Statistics Report January 2024, Ministry of Finance Website

3. Future Supply and Demand Situation and Growth of the Market

(1) Demand

In the long run, the construction industry has great potential for development, and the reasons for this are analyzed below:

The government has been actively promoting private sector participation in public construction projects to increase business opportunities.

- ① In recent years, public construction budgets have been reduced relative to social welfare, national defense, and foreign affairs budgets, and the actual budget available for public construction has been decreasing year by year. However, the public demand for infrastructure has not slowed down.
- ② The introduction of private capital and business in public construction has become a global trend, with countries such as the United Kingdom and Japan actively promoting private participation in public construction.
- ③ Taiwan is also gradually introducing private participation in public construction, which can later drive business opportunities for construction projects.

(2) Supply

① Many Construction Companies in the Competition

According to the annual report of construction statistics for 2023, Taiwan had 19,798 construction companies (including civil engineering), of which the proportion of Grade A companies was only 16.32%, while the proportion of Grade C companies and civil engineering contractors was as high as 74.38%. There are many small companies in the industry. As the number of construction companies grows at an alarming rate, the competition becomes increasingly fierce and the profitability of projects is affected.

② Future Development

The domestic construction market still has room for growth. However, the number of construction companies entering the market has increased. In the future, when the domestic market is open, the competitive pressure from foreign companies and the openness and transparency of government procurement will increase business opportunities for high-quality companies operating in a proper manner with healthy competition. Therefore, domestic construction companies must enhance their scale of

operation and technical capabilities towards large-scale and professional development. In addition to enhancing competitiveness to expand overseas markets, it also has positive implications for the upgrading of the construction industry.

4. Competitive Niche

(1) Commitment to Quality, Providing Customers With High Value-added Projects

The Company adheres to the principle of high quality in all aspects throughout the project cycle to ensure proper and reliable construction and to meet the needs of customers.

① Comprehensive Design Review and Space Planning

We integrate design and construction talents from civil engineering, E&M, and decoration units to meet customer needs and provide the highest added value. We also propose design solutions by stages, spaces, and systems and have multiple discussions through cross-unit meetings to find the most suitable design solutions.

In addition, we use 3D dynamic simulation technology to develop an advanced e-system to simulate the construction, and use the 3D interface to integrate the framework for space planning, piping configuration, and process arrangement review, so as to detect the problems that may be encountered during the construction stage in advance and avoid heavy waste.

② Quality Materials and Equipment

Our choice of materials and equipment is not only about aesthetics, but also about quality and ease of maintenance. The selection of building materials is based on stain resistance, safety, and durability. The selection of electrical and mechanical equipment is based on the priority of protecting the life and safety of users. In the selection of equipment for electrical, fire protection, and water supply and drainage systems, the Company's rigor and thoroughness are among the highest in the industry.

③ On-site Management During Construction

We apply the factory management concept of industrial engineering, using precision production management and the rapid work method of synchronous engineering to fully integrate, manage, and adjust on-site work items/trades, and standardize and streamline all site operations to ensure the safety and hygiene of the site and construction quality.

④ Precise Construction Techniques

Continuous improvement of methods/tools/processes helps reduce spillage and increase construction efficiency on site. With proper use of pre-cast/pre-assembly methods, the Company can not only improve construction efficiency, but also greatly improve construction quality and precision.

⑤ Comprehensive Self-review

After the completion of each phase of construction, the project site staff conducts self-review with a standard checklist and makes immediate improvements. We also have a quality assurance department that is responsible for auditing and periodically visits each project site to conduct random inspections of key items. In addition to the immediate correction of the project site, the feedback will be used as important information for future quality improvement.

(2) Digital Management With Real-time and Accurate Information

The information of each unit and each stage of operation is fully digitized, reducing the degree of human work to avoid errors and time-consuming, and allowing real-time and accurate information to flow through the entire project cycle for project-related personnel and owners to keep abreast of the latest project developments. Specific Subsystems Built are as Follows

① SAP for company resource planning

② Project management system

③ Owners website

④ Suppliers website

(3) Diversified and Excellent Human Resources to Build a Solid Foundation for Cross-disciplinary Project Management

We are committed to recruiting high quality talents and encouraging employees to discuss and learn from each other, creating a learning environment for all employees. Based on the characteristics and strengths of our employees, we have cultivated specialists in various fields, making us one of the few companies in traditional industries with a high quality workforce. As of March 20, 2024, the Company and its subsidiaries had a total of 1,510 employees with the following professional licenses and certification:

Unit: Person

License/Certification	Number of People
Professional Engineer	22
Site Manager	86
Public Construction Quality Control	180
Level A Technician for Labor Safety Management	8
Level B Technician for Labor Safety Management	68
Completion of Labor Health and Safety Management Training	95
Mine Security Personnel	11
Environmental Protection Certification	16
Electrical Manager	1
Radiation Protection Personnel	8
Forklift/Crane License	222

(4) Cross-disciplinary and Integrated Team to Provide Customers With a Full Range of High-value Services

With the advantage of execution and integration, we are able to provide high value services to our owners, so that we can maintain stable performance, achieve better payment collection terms, and obtain higher management profit and profit sharing.



The Company's Business Philosophy Structure

These eight concepts are embodied in the specific content of our business scope. Through the clear definition of these concepts and connotations, we have established a good reputation and solid achievements in Taiwan through years of efforts, and are regarded as a high achiever in the construction industry.

5. Advantageous and Disadvantageous Factors for Future Developments as Well as Response Measures

(1) Advantageous Factors

- ① The Company has excellent overall business performance, excellent innovation and research and development capabilities, and continues to improve tools and work methods to improve construction quality and efficiency, and further reduce construction costs. With diversified talents, professional knowledge in various fields, and the ability to integrate vertical (depth) and horizontal (breadth) functions, we are able to provide customers with quality and comprehensive services, and to receive stable orders and generate profits in a recessionary market.
- ② We use a management information system to provide high quality products to our customers with difference, speed, and guidance, and turn the invisible difference into visible.

(2) Disadvantageous Factors:

- ① In a competitive market where the lowest price tender is traditionally adopted, it is not easy to highlight our advantage of high quality construction.

Response to the Challenge: By encouraging our clients to adopt the most advantageous tender, and providing the best construction solutions to the owners through our high quality image and excellent integration and review ability, we strive for business opportunities despite the challenge.

- ② The market price of raw materials is highly volatile, and the duration of the project is directly proportional to the cost risk.

Response to the Challenge:

A. Through the raw material price locking mechanism, we are able to control the source of supply of all raw materials at the early stage of the project in order to avoid risks.

B. Cost-plus pricing is applied to owner-contracts to avoid the impact of fluctuations in construction materials and construction costs and to ensure the Company's profitability.

C. For public works, a separate unit adjustment is made in accordance with the public works price adjustment index mechanism.

- ③ Labor costs are increasing year by year, resulting in higher overall construction costs and reduced profits.

(3) Response Measures:

Innovative research and development, work method automation, labor-saving, and other improvements to improve construction efficiency and further reduce overall labor costs.

(II) Important functions and production process of main products

1. Main Product Purpose:

- (1) Housing: To provide a safe, healthy, and comfortable living quality and function, and to enhance the quality of life by beautifying the surrounding environment.

(2) Plant and Office Buildings:

① Office Buildings: To provide high quality offices and commercial spaces.

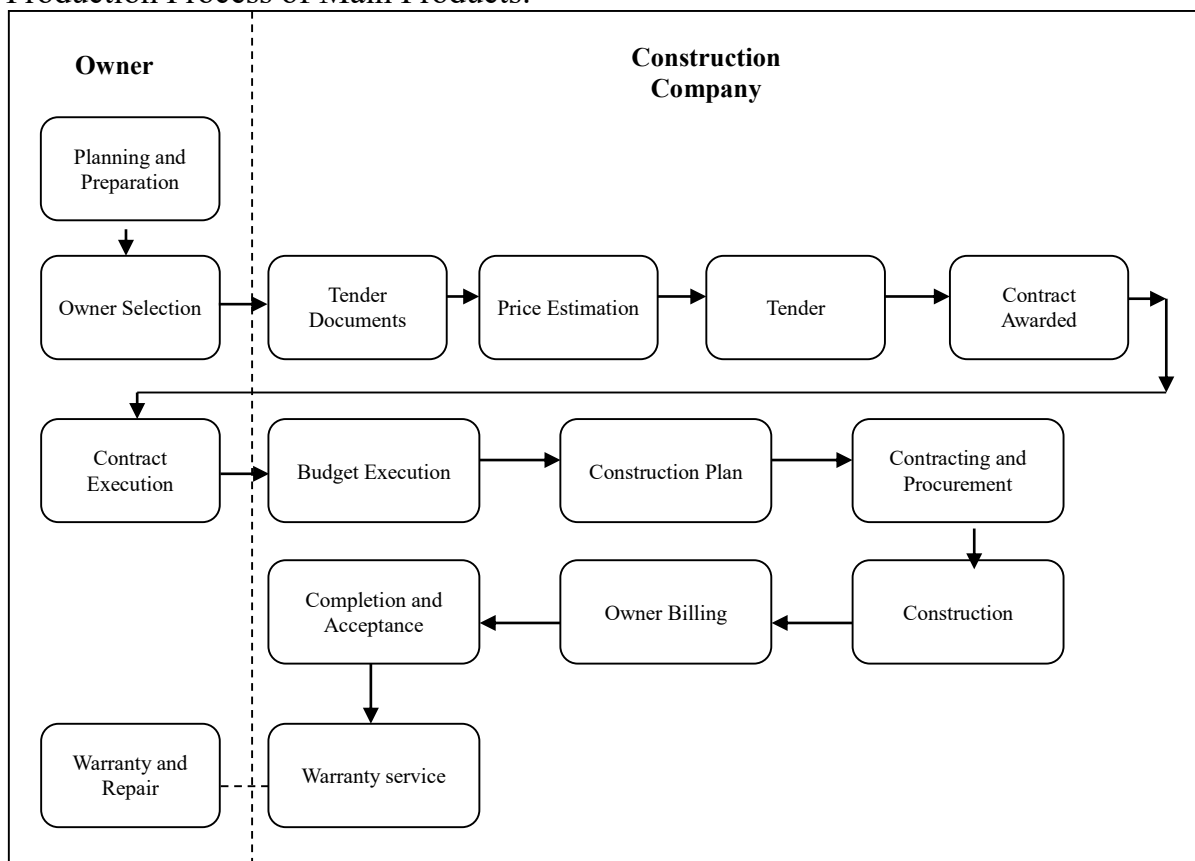
② Technology Plants: To provide reliable and stable clean rooms and production line spaces for the high-tech industry.

③ Large Shopping Malls: To provide spaces for the smooth flow of visitors, goods, and vehicles, while enhancing integration with the local environment to promote local vibrancy.

- (3) Public Works: To provide international level large-scale sports event spaces, durable and functionally sound public buildings and hardware, or office buildings for government agencies.

(4) Others.

2. Production Process of Main Products:



(III) Supply Status of Main Raw Materials

Our Company is a resource integrated construction team, different from general traditional single construction companies. In addition to providing traditional construction techniques, the Company is also capable of manufacturing its own RC structural precast components to provide stable and high quality products. In order to avoid concentrating the supply of related raw materials in a single supplier, the Company has established long-term supply relationships with several suppliers for various key construction materials and maintains a good and stable supply and demand situation, so that the materials will not be in short supply. The Company has also established communication channels with key suppliers on logistics and information flow, exchanging information on market supply and demand in a timely manner and maintaining a stable supply of major materials. The status is as follows:

Material	Main Supplier	Availability
Rebar	Tung Ho Steel, Feng Hsin Steel	Good
Concrete	Domestically produced construction materials, Taiwan Cement Corporation	Good
Electrical and Mechanical Engineering	Jian Yuan , Yongxu Hydropower	Good

(IV) List of Major Purchase and Sales Counterparties:

- Suppliers accounting for 10% or more of the Company's total procurement amount in either of the two most recent fiscal years, the amounts bought from each, and the percentage of total procurement accounted for by each:

The Company has not had any suppliers accounting for 10% or more of the Company's total procurement amount in either of the two most recent fiscal years.

2. Clients accounting for 10% or more of the Company's total sales amount in either of the two most recent fiscal years, the amounts sold to each, and the percentage of total sales accounted for by each:

Information on major sales customers in the past two years

Unit: NTD in Thousands; %

Year Level	2022				2023				2024 As of March 31 (Note 2)			
Item	Name (Note 1)	Amount	Percentage of Net Annual Sales Revenue (%)	Relationship With the Seller	Name (Note 1)	Amount	Percentage of Net Annual Sales Revenue (%)	Relationship With the Seller	Name (Note 1)	Amount	Percentage of Net Sales for the Year Ended the Previous Quarter	Relationship With the Seller
1	Company O	4,153,661	16.90	Related parties	Company O	4,092,973	18.19	Related parties	-	-	-	-
2	Company L	3,442,588	14.00	Non-related parties	Company L	991,346	4.41	Non-related parties	-	-	-	-
3	Company Y	2,725,588	11.09	Non-related parties	Company Y	340,713	1.51	Non-related parties	-	-	-	-
	Others	14,261,230	58.01		Others	17,077,494	75.89		Others	-	-	-
	Net Sales Revenue	24,583,067	100.00		Net Sales Revenue	22,502,526	100.00		Net Sales Revenue	-	-	-

Note 1: List suppliers who have accounted for more than 10% of the total purchase amount in the past two years and their respective sales amount and proportion, suppliers that we are not allowed to disclose as required by the contract or trading parties who are individuals rather than related parties are indicated by code.

Note 2: As of the date of Annual Report publication, no CPA-reviewed financial data for Q1 2024 is available.

Information related to the major customers in the past two years is provided as below:

Regarding clients who have accounted for more than a 10% sales amount of the Company in the past two years, the reasons for the increase or decrease are subject to different cases. Overall, major clients vary depending on the timing of the commencement and completion of the contracted projects.

(V) Production Value in the Past Two Years:

Unit: NTD in Thousands; %

Item	Year		2022		2023	
Public Construction			2,833,643	13.37%	1,998,869	10.50%
Residences			4,724,688	22.29%	5,096,937	26.77%
Plant and Office Buildings			10,117,959	47.74%	7,475,227	39.26%
Religion			652,600	3.08%	920,390	4.83%
Others			34,207	0.16%	57,951	0.30%
Construction Materials			2,831,718	13.36%	3,490,374	18.34%
Total			21,194,815	100.00%	19,039,748	100.00%

Note: The production volume is not applicable to the construction industry due to its special industry feature.

(VI) Sales Volume in the Past Two Years

Unit: NTD in Thousands; %

Item \ Year	2022		2023	
	Sales Value	Ratio (%)	Sales Value	Ratio (%)
Public Construction	3,291,186	13.39%	2,210,505	9.82%
Residences	5,439,202	22.13%	5,899,544	26.22%
Plant and Office Buildings	12,063,220	49.07%	9,493,226	42.19%
Religion	744,332	3.03%	1,044,871	4.64%
Others	112,775	0.45%	137,854	0.61%
Construction Materials	2,932,352	11.93%	3,716,526	16.52%
Total	24,583,067	100.00%	22,502,526	100.00%

Note: The sales volume is not applicable to the construction industry due to its special industry feature.

III. Employees

The Company and its Subsidiaries' Employee Information in the Past Two Years and as of the Date of Annual Report Publication

Year		2022	2023	The current year as of March 20, 2024 (Note)
Number of Employees	Managerial Positions	94	97	93
	Taiwanese	1112	1120	1127
	Foreign	227	291	290
	Total	1433	1508	1510
Average Age		42.2	42.3	42.2
Average Service Years		7.5	7.4	7.4
Education Distribution Ratio (%)	Doctorate	1.33%	1.19%	1.39%
	Master	17.52%	16.78%	16.49%
	Diploma	57.22%	54.51%	54.04%
	High School and Below	23.94%	27.52%	28.08%

Note: Data of the current year as of the Annual Report publication.

IV. Environmental Expenditure Information

Any losses suffered by the Company in the most recent fiscal year and up to the Annual Report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

- (1) Nonconformities found in environmental inspections of this Company and subsidiaries in the previous year and by the date of Annual Report publication:

Type	Punishment Date	Document No.	Regulation	Contents of Regulation	Contents of Punishment
Waste	2023/02/04	Fei-Zi 40-112-020004	In violation of Paragraph 2, Article 27 of Waste Disposal Act	The neighboring ditches were polluted	A fine of NT\$6,000
Waste	February 14, 2023	Fei-Zi 40-112-020026	In violation of Paragraph 2, Article 27 of Waste Disposal Act	The neighboring roads and sidewalks were polluted	A fine of NT\$6,000
Waste	2023/06/08	Fei-Zi 40-112-070067	In violation of Paragraph 2, Article 27 of Waste Disposal Act	The neighboring roads and sidewalks were polluted	A fine of NT\$6,000
Waste	2023/06/14	Fei-Zi 40-112-060052	In violation of Paragraph 2, Article 27 of Waste Disposal Act	The neighboring roads and sidewalks were polluted	A fine of NT\$6,000
Waste	2023/07/18	Fei-Zi 41-112-071642	In violation of Paragraph 2, Article 27 of Waste Disposal Act	The neighboring roads and sidewalks were polluted	A penalty amounting to NT\$2,400.
Waste	2023/08/25	Fei-Zi 40-112-080066	In violation of Paragraph 2, Article 27 of Waste Disposal Act	Mud and sand contaminated roads.	A fine of NT\$6,000
Waste	2023/08/28	Fei-Zi 40-112-080067	In violation of Paragraph 2, Article 27 of Waste Disposal Act	Mud and sand contaminated roads.	A fine of NT\$6,000
Waste	2023/08/28	Fei-Zi 40-112-080068	In violation of Paragraph 2, Article 27 of Waste Disposal Act	Mud and sand contaminated roads.	A fine of NT\$6,000
Waste	2023/09/27	Fei-Zi 40-112-110014	In violation of Paragraph 2, Article 27 of Waste Disposal Act	The neighboring roads and sidewalks were polluted	A fine of NT\$6,000
Waste	2023/10/05	Fei-Zi 40-112-100038	In violation of Paragraph 2, Article 27 of Waste Disposal Act	Mud and sand contaminated roads.	A fine of NT\$6,000
Waste	2023/10/05	Fei-Zi 40-112-100037	In violation of Paragraph 2, Article 27 of Waste Disposal Act	Mud and sand contaminated roads.	A fine of NT\$6,000
Waste	2023/10/06	Fei-Zi 40-112-100039	In violation of Paragraph 11, Article 27 of Waste Disposal Act	Failure to properly clean the water container	A fine of NT\$1,200.
Waste	2023/10/12	Fei-Zi 40-112-100067	In violation of Paragraph 2, Article 27 of Waste Disposal Act	Mud and sand contaminated roads.	A fine of NT\$6,000
Waste	2023/12/06	Fei-Zi 40-112-120057	In violation of Paragraph 2, Article 27 of Waste Disposal Act	The neighboring roads and sidewalks were polluted	A fine of NT\$6,000
Waste	2023/12/11	Fei-Zi 40-112-120847	In violation of Paragraph 2, Article 27 of Waste Disposal Act	The neighboring roads and sidewalks were polluted	A penalty amounting to NT\$2,400.
Waste	2024/01/11	Fei-Zi 40-113-010023	In violation of Paragraph 2, Article 27 of Waste Disposal Act	The neighboring roads and sidewalks were polluted	A fine of NT\$6,000
Noise	January 3, 2023	Fu-Dou-Jian-Shi-Zi 1110363887	In violation of Article 16 of the Control Measures During Building Construction in Taoyuan City and Article 67 of the Building Act	Disturbing public with the construction noise	A fine of NT\$18,000
Noise	January 7, 2023	Yin-Zi 22-112-010014	In violation of Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000

Noise	March 2, 2023	Fu-Huan-Ji-Zi 1120045077 - 22-112-020192	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	March 2, 2023	Fu-Huan-Ji-Zi 1120045077 - 22-112-020193	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	March 15, 2023	Yin-Zi 22-112-030125	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act and Article 6 of the Noise Control Standards	Noise exceeded the standards	A fine of NT\$18,000
Noise	March 15, 2023	Yin-Zi 22-112-030126	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act and Article 6 of the Noise Control Standards	Noise exceeded the standards	A fine of NT\$72,000
Noise	2023/03/25	Fu-Huan-Ji-Zi 1120077243 22-112-030187	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/03/25	Fu-Huan-Ji-Zi 1120077281 22-112-030188	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/03/25	Fu-Huan-Ji-Zi 1120077307 22-112-030189	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/03/25	Fu-Huan-Ji-Zi 1120077372 22-112-030190	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/04/19	Yin-Zi 22-112-040229	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/04/25	Fu-Huan-Ji-Zi 1120110135	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/05/11	Fu-Huan-Ji-Zi 1120120767 22-112-050012	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/06/03	Yin-Zi 22-112-090367	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/06/14	Yin-Zi 22-112-090363	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/06/14	Yin-Zi 22-112-090364	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$6,000

Noise	2023/06/26	Fu-Huan-Ji-Zi 1120173909 22-112-060194	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/06/29	Bei-Shi-Du-Jian-Zi 11261348031	In violation of Article 67 of Building Act	Unauthorized construction work on site during restricted hours	A fine of NT\$18,000
Noise	2023/06/5	Fu-Huan-Ji-Zi 1120149149 22-112-060008	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/06/8	Bei-Shi-Du-Jian-Zi 11261306641	Article 89 of the Construction Act	Construction at night	A fine of NT\$18,000
Noise	2023/07/03	Fu-Huan-Ji-Zi 1120182267 22-112-070204	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/07/14	Yin-Zi 22-112-070205	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act and Article 6 of the Noise Control Standards	Noise exceeded the standards	A fine of NT\$18,000
Noise	2023/07/18	Yin-Zi 22-112-070288	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act and Article 6 of the Noise Control Standards	Noise exceeded the standards	A fine of NT\$36,000
Noise	2023/07/20	Yin-Zi 22-112-070313	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/07/20	Yin-Zi 22-112-070310	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/08/02	Yin-Zi 22-112-080028	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act and Article 6 of the Noise Control Standards	Noise exceeded the standards	A fine of NT\$18,000
Noise	2023/08/02	Yin-Zi 22-112-080027	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act and Article 6 of the Noise Control Standards	Noise exceeded the standards	A fine of NT\$72,000
Noise	2023/08/02	Yin-Zi 22-112-080026	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act and Article 6 of the Noise Control Standards	Noise exceeded the standards	A fine of NT\$36,000

Noise	2023/08/04	Fu-Huan-Ji-Zi 1120214345 22-112-080006	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/08/15	Yin-Zi 22-112-080143	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act and Article 6 of the Noise Control Standards	Noise exceeded the standards	A fine of NT\$18,000
Noise	2023/08/21	Yin-Zi 22-112-080259	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/08/23	Yin-Zi 22-112-080312	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act and Article 6 of the Noise Control Standards	Noise exceeded the standards	A fine of NT\$18,000
Noise	2023/08/23	Fu-Huan-Ji-Zi 1120230617 22-112-080155	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$6,000
Noise	2023/08/25	Fu-Huan-Ji-Zi 110236520 22-112-080224	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$6,000
Noise	2023/08/3	Fu-Huan-Ji-Zi 1120214323 22-112-080005	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/08/31	Bei-Shi-Du-Jian-Zi 11261585321	In violation of Article 89 of Building Act	Construction at night	A fine of NT\$18,000
Noise	2023/09/14	Yin-Zi 22-112-090197	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act and Article 6 of the Noise Control Standards	Noise exceeded the standards	A fine of NT\$36,000
Noise	2023/09/20	Yin-Zi 22-112-090220	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act and Article 6 of the Noise Control Standards	Noise exceeded the standards	A fine of NT\$18,000
Noise	2023/09/20	Fu-Huan-Ji-Zi 1120258530 22-112-090300	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/10/25	Xin-Bei-Huan-Chi-Zi 22-112-101003	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Construction was going on during prohibited hours	A fine of NT\$6,000
Noise	2023/10/25	Bei-Shi-Du-Jian-Zi 11261776071	In violation of Article 67 of Building Act	Unauthorized construction work on site during restricted hours	A fine of NT\$30,000

Noise	2023/10/31	Yin-Zi 22-112-100515	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act and Article 6 of the Noise Control Standards	Noise exceeded the standards	A fine of NT\$72,000
Noise	2023/11/06	Yin-Zi 22-112-110017	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act and Article 6 of the Noise Control Standards	Noise exceeded the standards	A fine of NT\$72,000
Noise	2023/11/07	Yin-Zi 22-112-110103	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act and Article 6 of the Noise Control Standards	Noise exceeded the standards	A fine of NT\$18,000
Noise	2023/11/14	Fu-Huan-Ji-Zi 1120315599 22-112-110068	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2023/11/14	Fu-Huan-Ji-Zi 1120314736 22-112-110072	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$6,000
Noise	2023/11/20	Fu-Huan-Ji-Zi 1120314737 22-112-110073	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$6,000
Noise	2023/12/22	Fu-Huan-Ji-Zi 1120355734 22-112-120306	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$3,000
Noise	2024/01/08	Xin-Bei-Huan-Chi-Zi 22-113-010003	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$6,000
Noise	2024/01/09	Xin-Bei-Huan-Chi-Zi 22-113-010007	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	Noises were made due to the use of power machinery	A fine of NT\$6,000
Air	2023/06/09	Fu-Sho-Huan-Kong Zi No. 1120020011	In violation of Paragraph 1, Article 20, Air Pollution Control Act	The particulate matter pollutants discharged from the discharge pipeline of the cement rotary kiln cooler (code number P023) at Dongshan Plant have exceeded the Yilan County Cement Industry Air Pollutant Emission Standard	A fine of NT\$100,000

Air	2024/01/11	Fu-Sho-Huan-Kong Zi No. 1130001375	In violation of Paragraph 3, Article 22, Air Pollution Control Act	Dongshan Plant's furnace dryer discharge pipeline (code: P024) did not execute zero offset and full offset test for granular pollutants in accordance with management guidelines	A fine of NT\$260,000
Air	2024/01/12	Fu-Sho-Huan-Kong Zi No. 1130000857	In violation of Paragraph 1, Article 20, Air Pollution Control Act	The nitrogen oxide monitoring data in the discharge pipe (code: P002) of the cement rotary kiln preheating machine at Dongshan Plant exceeded the air pollutant emission standard of the cement industry	A fine of NT\$130,000
Water	January 12, 2023	Fu-Huan-Shui-Zi 1120006906	Violation of Paragraph 1, Article 18-1 of the Water Pollution Control Act and Paragraph 1, Article 7 of the Water Pollution Control Act	On-site sampling of the effluent discharge point at the Yangmei plant revealed a pH value of 12.27 (pH > 11). The effluent generated during the cleaning process of semi-finished products in the mixing equipment area is directed into the stormwater drain of the facility and subsequently released into the surrounding environment via the runoff wastewater outlet.	A fine of NT\$3,024,000
Water	2023/08/31	Fu-Shou-Huan-Ji-Zi No.1120031524	Violation of Article 28, Paragraph 1, Water Pollution Control Act	Diesel fuel barrels in the packaging section of the Dongshan Plant were damaged on-site. Diesel fuel was negligently discharged into the rainwater ditch inside the plant to the off-site ditch, and thus polluting the water pollution control area (Dongshan River Basin) of the county.	A fine of NT\$63,750

(2) Future countermeasures and potential expenses:

- A. Construction Projects: In response to the above violations of environmental protection laws and regulations, we will strengthen environmental education and training, environmental awareness, educate employees to appropriately maintain site hygiene, and regularly send employees to participate in various seminars organized by the municipal government.
- B. Yilan Factory: The fine levied by the Yilan County Environmental Bureau has been remitted. An

effort has been made to enhance the efficacy of the baghouse dust collector, resulting in a substantial reduction in emissions. Moreover, greater attention has been paid to the inspection of stormwater drains in the vicinity of the factory. Additionally, onsite personnel have received emergency response training in order to manage oil leaks. The implementation of Standard Operating Procedures (SOPs) is intended to reduce the occurrence of NOx exceedances and ensure proper operation control. At this time, no future losses, disposals, or compensatory expenses are anticipated.

- C. Yangmei Plant: We learned about the defect and made improvements during the inspection. We will set up new process wastewater (sewage) treatment plant and separate the stormwater from the existing discharge pipelines to comply with government regulations as our countermeasures against the violations of the Water Pollution Control Act. The water pollution improvement cost was NT\$7,254,532, and there is no potential future loss, penalty, or compensation yet.

V. Labor Relationship:

- (I) The Company's Various Employee Welfare Measures, Further Education, Training, Retirement System, and Their Implementation, as Well as Labor-management Agreements and the Measures to Maintain the Rights and Interests of Employees:

The Company always attaches great importance to employee welfare and talent training, and abides by labor-related laws and regulations to protect the rights of employees.

- (1) Employee benefits

Provide two regular health checks every year. In addition to labor insurance and national health insurance, the Company also provides employees, spouses, and children with group life insurance, accident insurance, and health insurance; meanwhile, it has also set up a welfare committee to provide employees with subsidies for weddings, birthdays, births, funerals, hospitalization, injury and disability, travel, etc. It also holds events from time to time and provides holiday gifts or gift certificates to all employees.

- (2) Training and Education for Employees

Every year we plan pre-job and on-the-job training budgets for employees to improve their professional skills, leadership, and career development. We also encourage them to actively improve their knowledge and participate in external training courses, giving incentives for employees to obtain certification and actively participate in continuing education. In addition to the regular training courses provided by the Company, we have also established an online teaching system environment that is unique to Ruentex. Through digital resources and autonomous learning, employees can fully understand the innovation, research and development, and professional knowledge that they must possess as a Ruentexer. This allows each employee to acquire the knowledge, skills and standards, and form professional teams at Ruentex. By using the e-learning system, employees can get information about courses and share their thoughts after taking courses. In this way, employees can save more time, and utilize learning resources more efficiently.

- (3) Retirement System

A monthly retirement reserve is set aside in accordance with the Labor Standards Act. The Company assesses the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by the end of the following March. Employees are able to select to retire from the new system according to the Labor Pension Regulations. The monthly pension is set aside in the labor pension personal account set up by the Labor Insurance Bureau.

- (4) The Company's labor policy is based on the principle of open communication, creating a win-win situation for enterprises and employees through the following measures.
- ① Comply with the Labor Standards Act and related laws and regulations for the maximum protection of the rights and interests of employees.
 - ② Provide unfettered and diverse communication channels for employees to freely express their opinions and get feedback (Granite Questionnaire Survey).
 - ③ In the case of the Company's operating situations and major measures, we always fully inform our employees in advance, so that they can clearly understand and provide full support and cooperation.
 - ④ Provide employees with adequate training and education (elite training, internal professional training courses, professional certification, e-learning platform, external education and training expense subsidies, and encouragement of on-the-job training for employees).
 - ⑤ Other benefits such as reasonable employee benefits and compensation (group insurance, uniforms, holiday gifts, maternity benefits, employee trips, etc.) are provided.
- (5) Specific Measures to Enhance Employee Benefits or Interests Over the Previous Year:
In order to motivate our employees, retain outstanding talents, and enhance the competitiveness of the Company, the Compensation Committee and the Board of Directors approved the revision of the Salary Management Plan and the Bonus Plan on August 12, 2023, so that the contribution of our employees is made clearly associated with the bonus.
- (II) Losses arising from labor-management disputes (including the violation of the Labor Standards Act found in the labor inspection) in the most recent year and by the date of annual report publication; and disclose the estimated amounts that may occurred at present and in the future and countermeasures. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:
- (1) Nonconformities found in labor inspections of this Company and subsidiaries in the previous year and by the date of annual report publication: None.
 - (2) Future countermeasures and potential expenses:
Since this Company was established, labor-management harmony has been maintained to achieve the corporations in collaboration with employees. Therefore, no loss from labor-management disputes has been reported recently, and there will be no damage from labor-management dispute in the future.

VI. Information Security Management:

- (I) The managerial framework over information security, policies toward information security; the concrete programs of enforcement and the resources invested into management over information security.

Three Major Components of the Company's Information Security Management

1. Policy and Management:

- The establishment of an information and communication security promotion organization, the development of information security objectives and the establishment of a dedicated staff for information security are expected to be completed by December 31, 2023.
- Establish personnel device and use management specification.
- Establish procedures for outsourced safety management of information operations.

- Establish an internal information security audit mechanism.
- Business continuity rehearsal, backup mechanism, and offsite backup plan.
- Identification of legal compliance and contract requirements.
- Security inventory and risk assessment of information and communication systems.
- Establish emergency response plans and notification procedures for information security incidents (Detailed on the company website).

2. Technology:

In response to the recent ransomware and hacker attacks, the Company has budgeted for the construction of a New Generation Firewall (NGFW) from 2019 onwards. In addition to the Taipei headquarters, the Company spent NT\$1.26 million to complete the construction of a firewall at each project site in September 2021 to strengthen information security and to meet the new challenges of network information security in the future. We planned to update the firewall of the headquarters in September 2022 to enhance the intranet and internet information security. And completed the firewall construction and integration of headquarters, factories, construction sites and personal SSLVPN on July 10, 2023.

- Periodic security checks and system weakness fixes.
- Information security protection and control.
- Physical security control.
- Information security requirements are incorporated into the specifications for the development and maintenance requirements of the information and communications system (including outsourced developed information and communications systems).

3. Information Security Awareness Training and Social Engineering:

In order to raise employees' awareness of information security and understanding that all employees are a part of information security, we make information security courses and tests mandatory for new employees. Moreover, we also plan to conduct information security education and training for all employees on a regular basis in order to raise the awareness of information security and maintain the alertness of information security at work.

- Regular information and communication security training.
- Information security professionals will be trained in external information security training courses (e.g. CISSP, CISM, CEH).
- Plan regular email social engineering test drills.

(II) The impairment incurred by a significant information security event, the potential impact and the countermeasures in the most recent year as of the publication date of the Annual Report. Where the impact could not be estimated, elaborate on the facts about why it could not be estimated in a rational manner.

- (1) The impairment incurred by a significant information security event in the most recent year as of the publication date of the Annual Report: None.
- (2) The potential impact and the countermeasures:
The Company has set up a sound information security environment to strengthen

information security protection equipment and, on a regular basis, review the information security protection plan. So far, the Company has not suffered losses due to major information security incidents and we anticipate that there will be no damage due to major information security incidents in the future.

VII. Significant Contracts:

March 20, 2024

Item	Contractual Nature	Party	Effective and Ending Dates of Contracts or Project Duration	Main Content	Special Terms and Conditions
1	Construction contracts	Ruentex Development Co., Ltd.	March 2014~June 2022	New Construction Project in Sanchong District, New Taipei City, including three RC buildings with 31, 33, and 35-story above-ground and 5-story underground, respectively.	Nil
2	Construction contracts	Ruentex Development Co., Ltd.	October 2019~August 2022	New Construction Project in Xinyi District, Taipei City, with a 4-story underground and 12-story above-ground RC building.	Nil
3	Construction contracts	Futsu Construction Co., Ltd.	September 2019~December 2020	Precast PC siding project for New Plant Construction in Changhua County.	Nil
4	Construction contracts	Ruentex Development Co., Ltd.	June 2020~June 2023	New Construction Project in Da'an District, Taipei City, with a 4-story underground and 23-story above-ground RC building.	Nil
5	Construction contracts	Ruentex Development Co., Ltd.	May 2020~January 2023	New Construction Project in Sanchong District, New Taipei City, with a 3-story underground and 16-story above-ground RC building.	Nil
6	Construction contracts	Ruentex Development Co., Ltd.	April 2020~January 2023	New Construction Project in Xindian District, New Taipei City, with two 3-story underground and 20-story above-ground RC buildings.	Nil
7	Construction contracts	Ruentex Development Co., Ltd.	May 2020~June 2023	New Construction Project in Sanchong District, New Taipei City, including one building with 25-story above-ground and two RC buildings with 26-story above-ground and 3-story underground in an integrated structure.	Nil
8	Construction contracts	Company T	June 2020~May 2021	New Plant Construction in Tainan Science Park.	Nil
9	Construction contracts	FU-HSUAN CONSTRUCTION AND ENGINEERING CO., LTD.	December 2020~July 2021	Precast PC project of a new construction from the fifth to the twentieth floor above ground in Songshan District, Taipei City.	Nil
10	Construction contracts	Ruentex Innovative Development Co., Ltd.	January 2021~October 2023	New Construction Project in Nangang District, Taipei City, with a 5-story underground and 27-story above-ground RC building.	Nil
11	Construction contracts	Ruentex Construction & Development Co., Ltd.	March 2021~July 2023	New Construction Project in Da'an District, Taipei City, with a 3-story underground and 10-story above-ground RC building.	Nil
12	Construction contracts	Futsu Construction Co., Ltd.	February 2021~March 2021	Precast project for a new plant in Tainan Science Park. (Project No. 2101-AP6A)	Nil
13	Construction contracts	National Housing and Urban Regeneration Center	January 2021~July 2024	A 14-story above-ground RC building and a 13-story above-ground RC building with 2-story underground in Wanhua District, Taipei City.	Nil
14	Construction contracts	Sisters of the Sacred Heart of Mary	September 2019~October 2021	Two 4-story above-ground and one 5-story above-ground RC buildings with 1-story underground in Taiping District, Taichung City.	Nil
15	Construction contracts	Cheng Chueh Temple Preparatory Office and True Enlightenment Education Foundation	March 2022~March 2025	A total of ten RC structures ranging from 2-story underground to 4-story underground in Zhudong Township, Miaoli County	Nil
16	Construction contracts	Nantiantai Ziyun Temple	September 2019~August 2023	One RC building with 2-story underground and 10-story above-ground in Niaosong District, Kaohsiung City.	Nil
17	Construction contracts	Futsu Construction Co., Ltd.	July 2021~February 2022	Precast project for a new plant in Tainan Science Park. (Project No. 2107, F18P7)	Nil
18	Construction contracts	Tasa Construction Corporation	November 2021~June 2022	Precast project for a new plant in Tainan Science Park. (Project No. 2111, F14P8-FAB precast project)	Nil

Item	Contractual Nature	Party	Effective and Ending Dates of Contracts or Project Duration	Main Content	Special Terms and Conditions
19	Construction contracts	DA-CIN CONSTRUCTION CO., LTD.	November 2021~July 2022	Precast project for a new plant in Tainan Science Park. (Project No. 2112, 18P8 precast project)	Nil
20	Construction contracts	Molie Quantum Energy Corporation	October 2021~May 2023	A total of six RC structures ranging from 1-story underground to 4-story above-ground in Xiaogang District, Kaohsiung City.	Nil
21	Construction contracts	Company M	December 2021~December 2022	A 6-story above-ground RC building in the Central Taiwan Science Park Houli Campus, Taichung City	Nil
22	Construction contracts	FU-HSUAN CONSTRUCTION AND ENGINEERING CO., LTD.	December 2022~July 2023	Precast PC project of a new construction from the 5th to the 24th floor above ground in Xindian District, New Taipei City.	Nil
23	Construction contracts	GENERAL BIOLOGICALS CORP.	March 2022~April 2024	A 2-story underground and 6-story above-ground RC building in Zhubei, Hsinchu County.	Nil
24	Construction contracts	Phison Electronics Corporation	May 2022~October 2022	Preparatory works for a construction project for five floors underground and 16 floors above ground of a RC building in the Kuangyuan Science Park in Zhunan, Miaoli County.	Nil
25	Construction contracts	Company E	August 2022~November 2023	A new construction project in Guishan Industrial Park, Taoyuan, with a floor area of around 24,149 pings.	Nil
26	Construction contracts	Ruentex Development Co., Ltd.	September 2022~December 2023	A demolition project of a total of six buildings with one to five floors above ground in Zhongzheng District, Taipei City.	Nil
27	Construction contracts	FU-HSUAN CONSTRUCTION AND ENGINEERING CO., LTD.	May 2023~May 2024	A precast PC project of the new construction from the 5th to the 27th floor above ground in Xindian District, New Taipei City.	Nil
28	Construction contracts	Star Energy Corporation	August 2022~May 2023	Preparatory works for the new construction of an onshore substation in Lunhai Section, Lukang Township, Changhua County.	Nil
29	Construction contracts	Public sector	August 2022~September 2025	A new construction project in Daliao District, Kaohsiung City, including two RC building, one with one floor underground and six floors above ground; the other with two floors underground and seven floors above ground.	Nil
30	Engineering Contracts	ATP Electronics Taiwan Inc.	March 2023~December 2024	Two five-story RC buildings in Ciaotou Science Park, Kaohsiung	Nil
31	Engineering Contracts	TransGlobe Life Insurance Inc.	November 2022~November 2025	New Construction Project in Songshan District, New Taipei City, with two five-story underground and 11-story above-ground RC buildings.	Nil
32	Engineering Contracts	Futsu Construction Co., Ltd.	February 2023~October 2023	Precast project for a new plant in Nanzi District, Kaohsiung City. (Project No. 2223, F22P1)	Nil
33	Engineering Contracts	Futsu Construction Co., Ltd.	February 2023~October 2023	Precast project for a new plant in Hsinchu Science Park. (Project No. 2225, F20P1)	Nil
34	Engineering Contracts	DA-CIN CONSTRUCTION CO., LTD.	February 2023~October 2023	Precast project for a new plant in Hsinchu Science Park. (Project No. 2226, F20P1)	Nil
35	Construction contracts	Ruentex Development Co., Ltd.	May 2023~September 2024	The foundation works of one RC building with a total of five floors underground and 32 floors above ground, integrated into the other four 37-story above ground RC buildings in Nangang District, Taipei City.	Nil

Item	Contractual Nature	Party	Effective and Ending Dates of Contracts or Project Duration	Main Content	Special Terms and Conditions
36	Construction contracts	Tasa Construction Corporation	March 2023~June 2023	Precast project for a new plant in Tainan Science Park. (Project No. 2301, F18P8O precast project)	Nil
37	Construction contracts	LITE-ON TECHNOLOGY CORPORATION	April 2023~ December 2026	A new RC building with 3 floors underground and 14 floors above ground was built in Kaohsiung Nanzi Export Processing Zone.	Nil
38	Construction contracts	DA-CIN CONSTRUCTION CO., LTD.	March 2024~May 2026	A 27-story steel-framed concrete PCS project for a new construction project in Da'an District, Taipei City.	Nil
39	Construction contracts	National Housing and Urban Regeneration Center	January 2021~July 2024	Three 12-story above-ground RC building a with 2-story underground in Yangmei District, Taoyuan City.	Nil
40	Construction contracts	Futsu Construction Co., Ltd.	February 2024~ October 2024	Precast project for a new plant in Hsinchu Science Park. (Project No. 2315, F20P2 precast project)	Nil
41	Construction contracts	DA-CIN CONSTRUCTION CO., LTD.	February 2024~ October 2024	Precast project for a new plant in Hsinchu Science Park. (Project No. 2316, F20P2 precast project)	Nil

Note: Construction contracts and other significant contracts affecting shareholders' equity as of the publication date of the Annual Report that are still in force and expired in the latest year.

Six. Financial Overview

I. Condensed statement of financial positions and consolidated statement of comprehensive income of the past five years

(I) Consolidated Condensed Balance Sheet and Consolidated Income Statement - International Financial Reporting Standards

1. Consolidated Condensed Balance Sheet

Unit: NTD in Thousands

Item	Year	Financial Information for the Past Five Years					The current year as of March 31, 2024 (Note 3)
		2019	2020	2021	2022	2023	
Current Assets		4,995,962	5,601,484	9,167,034	12,053,383	11,732,229	-
Property, plant, and equipment		3,329,918	3,692,961	3,694,165	3,801,686	3,979,515	-
Intangible assets		241,507	251,908	189,088	208,054	206,088	-
Others Assets		2,562,461	2,501,920	4,360,102	6,275,187	6,045,256	-
Total Assets		11,129,848	12,048,273	17,410,389	22,338,310	21,963,088	-
Current liabilities	Before Distribution	3,871,128	4,373,090	6,262,317	11,187,022	8,497,278	-
	After Distribution (Note 1)	4,478,628	5,250,590	7,926,867	13,036,522	Note 2	-
Non-current liabilities		1,978,321	1,970,089	2,935,835	3,074,842	5,387,338	-
Total liability	Before Distribution	5,849,449	6,343,179	9,198,152	14,261,864	13,884,616	-
	After Distribution (Note 1)	6,456,949	7,220,679	10,862,702	16,111,364	Note 2	-
Equity attributed to owners of the parent		3,857,329	4,248,563	6,676,085	6,532,481	6,469,254	-
Capital		1,350,000	1,350,000	1,849,500	1,849,500	1,849,500	-
Capital reserve		757,693	757,693	773,446	779,348	779,399	-
Retained earnings	Before Distribution	1,336,750	1,732,427	2,209,173	2,612,510	2,673,842	-
	After Distribution (Note 1)	729,250	854,927	544,623	763,010	Note 2	-
Other Equities		412,886	408,443	1,843,966	1,291,123	1,166,513	-
Non-controlling Interest		1,423,070	1,456,531	1,536,152	1,543,965	1,609,218	-
Total Equity	Before Distribution	5,280,399	5,705,094	8,212,237	8,076,446	8,078,472	-
	After Distribution (Note 1)	4,672,899	4,827,594	6,547,687	6,226,946	Note 2	-

Source: The above financial information of 2019-2023 was verified and certified by an accountant.

Note 1: The calculation is based on the resolution of the shareholders' meeting on earnings distribution in the following year.

Note 2: The resolution for the appropriation of earnings for 2023 was approved by the Board of Directors on March 13, 2024, but has not yet been approved by the shareholders' meeting.

Note 3: By the date of annual report publication, no CPA-reviewed financial data for Q1 2024 is available.

2. Consolidated Condensed Comprehensive Income Statement

Unit: NT\$ 1000; Earnings per Share: NT\$ in Thousands

Item \ Year	Financial Information for the Past Five Years					The current year as of March 31, 2024 (Note 1)
	2019	2020	2021	2022	2023	
Operating income	11,637,322	14,468,066	21,337,098	24,583,067	22,502,526	-
Gross profit	1,432,686	1,959,894	3,276,035	3,388,252	3,462,778	-
Operating Profit	718,156	1,155,907	2,313,958	2,439,540	2,454,124	-
Non-operating Income and Expenses	164,561	183,813	(89,055)	187,135	55,523	-
Net profit before tax	882,717	1,339,720	2,224,903	2,626,675	2,509,647	-
Net Income (loss) Current Period	733,133	1,089,458	1,785,151	2,127,704	2,038,025	-
Other Comprehensive Income in the Current Period (Net of Tax)	(204,783)	(12,539)	1,467,558	(601,333)	(120,523)	-
Total Comprehensive Income Current Period	528,350	1,076,919	3,252,709	1,526,371	1,917,502	-
Profit Attributable to Owners of the Parent	679,710	1,009,976	1,842,218	2,060,529	1,902,201	-
Net Profit Attributable to Non-controlling Interests	53,423	79,482	(57,067)	67,175	135,824	-
Total Profit and Loss Attributable to the Parent Company's Owners	478,673	998,734	3,289,269	1,514,659	1,786,222	-
Total comprehensive income attributed to non-controlling interest	49,677	78,185	(36,560)	11,712	131,280	-
Earnings per Share (NT\$) Note 2	3.68	5.46	9.96	11.14	10.28	-

Source: The above financial information of 2019-2023 was verified and certified by an accountant.

Note 1: By the date of annual report publication, no CPA-reviewed financial data for Q1 2024 is available.

Note 2: The number of outstanding shares has been retroactively adjusted according to the percentage of capitalization of the 2021 retained earnings.

(II) Standalone Condensed Balance Sheet and Consolidated Income Statement - International Financial Reporting Standards

1. Standalone Condensed Balance Sheet

Unit: NTD in Thousands

Item	Year	Financial Information for the Past Five Years					The current year as of March 31, 2024 (Note 3)
		2019	2020	2021	2022	2023	
Current Assets		3,231,560	3,823,781	7,100,768	9,255,073	8,996,726	-
Property, plant, and equipment		187,145	284,203	286,903	308,291	360,657	-
Intangible assets		21,581	23,859	29,224	32,190	33,261	-
Others Assets		3,459,864	3,434,054	4,794,132	6,310,298	6,174,040	-
Total Assets		6,900,150	7,565,897	12,211,027	15,905,852	15,564,684	-
Current liabilities	Before Distribution	2,738,076	3,046,314	5,200,484	8,172,685	6,267,675	-
	After Distribution (Note 1)	3,345,576	3,923,814	6,865,034	10,022,185	Note 2	-
Non-current liabilities		304,745	271,020	334,458	1,200,686	2,827,755	-
Total liability	Before Distribution	3,042,821	3,317,334	5,534,942	9,373,371	9,095,430	-
	After Distribution (Note 1)	3,650,321	4,194,834	7,199,492	11,222,871	Note 2	-
Capital		1,350,000	1,350,000	1,849,500	1,849,500	1,849,500	-
Capital reserve		757,693	757,693	773,446	779,348	779,399	-
Retained earnings	Before Distribution	1,336,750	1,732,427	2,209,173	2,612,510	2,673,842	-
	After Distribution (Note 1)	729,250	854,927	544,623	763,010	Note 2	-
Other Equities		412,886	408,443	1,843,966	1,291,123	1,166,513	-
Total Equity	Before Distribution	3,857,329	4,248,563	6,676,085	6,532,481	6,469,254	-
	After Distribution (Note 1)	3,249,829	3,371,063	5,011,535	4,682,981	Note 2	-

Source: The above financial information of 2019-2023 was verified and certified by an accountant.

Note 1: The calculation is based on the resolution of the shareholders' meeting on earnings distribution in the following year.

Note 2: The resolution for the appropriation of earnings for 2023 was approved by the Board of Directors on March 13, 2024, but has not yet been approved by the shareholders' meeting.

Note 3: By the date of annual report publication, no CPA-reviewed financial data for Q1 2024 is available.

2. Standalone Condensed Comprehensive Income Statement

Unit: NT\$ 1000; Earnings per Share: NT\$ in Thousands

Item \ Year	Financial Information for the Past Five Years					The current year as of March 31, 2024 (Note 1)
	2019	2020	2021	2022	2023	
Operating income	8,773,188	11,530,175	17,943,371	20,520,949	17,158,980	-
Gross profit	1,088,045	1,552,614	2,918,342	2,966,868	2,842,435	-
Operating Profit	604,078	1,007,728	2,283,591	2,299,880	2,161,421	-
Non-operating Income and Expenses	207,348	212,611	17,477	225,960	168,512	-
Net profit before tax	811,426	1,220,339	2,301,068	2,525,840	2,329,933	-
Net Income (loss) Current Period	679,710	1,009,976	1,842,218	2,060,529	1,902,201	-
Other Comprehensive Income in the Current Period (Net of Tax)	(201,037)	(11,242)	1,447,051	(545,870)	(115,979)	-
Total Comprehensive Income Current Period	478,673	998,734	3,289,269	1,514,659	1,786,222	-
Earnings per Share (NT\$) Note 2	3.68	5.46	9.96	11.14	10.28	-

Source: The above financial information of 2019-2023 was verified and certified by an accountant.

Note 1: By the date of annual report publication, no CPA-reviewed financial data for Q1 2024 is available.

Note 2: The number of outstanding shares has been retroactively adjusted according to the percentage of capitalization of the 2021 retained earnings.

(III) The Names and the Audit Opinion of the CPAs in the Past Five Years

Year	Name of CPA Firm	CPAs	Audit Opinions
2019	PwC Taiwan	Chao-ming Wang, Ming-chuan Hsu	Unqualified Opinion
2020	PwC Taiwan	Chao-ming Wang, Ming-chuan Hsu	Unqualified Opinion
2021	PwC Taiwan	Chin-lien Huang, Shu-chiung Chang	Unqualified Opinion
2022	PwC Taiwan	Chin-lien Huang, Shu-chiung Chang	Unqualified Opinion
2023	PwC Taiwan	Chin-lien Huang, Shu-chiung Chang	Unqualified Opinion

II. Financial Analysis in the Past Five Years:

Financial Analysis - International Financial Reporting Standards

1. Financial Analysis of Consolidated Information

Unit: %

Item		Financial analysis of the past five year					The current year as of March 31, 2024 (Note 3)	Change Rate in the Past Two Years (%)	Remark
		2019	2020	2021	2022	2023			
Financial Structure	Liabilities to Assets Ratio (%)	52.55	52.64	52.83	63.84	63.21	-	(0.99)	
	Long-term Capital to PP&E Ratio (%)	217.98	207.83	301.77	293.32	338.37	-	15.36	
Solvency	Current Ratio (%)	129.05	128.08	146.38	107.74	138.07	-	28.15	Description 1
	Quick Ratio (%)	78.09	52.67	78.39	47.80	66.75	-	39.64	Description 1
	Debt Service Coverage Ratio	4,492.93	6,284.94	8,180.85	4,013.05	2,223.81	-	(44.59)	Description 1
Management Ability	Average Collection Turnover (times)	8.49	10.64	11.05	9.90	6.88	-	(30.51)	Description 2
	Average Collection Days	42.99	34.30	33.03	36.86	53.05	-	43.92	Description 2
	Average Inventory Turnover (times)	0.66	0.66	0.75	0.66	0.47	-	(28.79)	Description 2
	Average Payable Turnover (times)	6.20	5.59	6.62	6.11	5.03	-	(17.68)	
	Average Inventory Turnover Days	553.03	553.03	486.66	553.03	776.59	-	40.42	Description 2
	PP&E Turnover (times)	3.61	4.12	5.77	6.55	5.78	-	(11.76)	
	Total Assets Turnover (times)	1.10	1.24	1.44	1.23	1.01	-	(17.89)	
Portability	Return on Assets (%)	7.11	9.55	12.26	10.97	9.62	-	(12.31)	
	Return on Equity (%)	13.64	19.83	25.65	26.12	25.23	-	(3.41)	
	Profit Before Tax to Capital Stock (%)	65.38	99.23	120.29	142.02	135.69	-	(4.46)	
	Profit Margin (%)	6.29	7.53	8.36	8.65	9.05	-	4.62	
	Equity per Share (NT\$)	5.03	7.48	9.96	11.14	10.28	-	(7.72)	
Cash Flow	Cash Flow Ratio (%)	15.63	23.40	22.10	11.78	25.69	-	118.08	Description 3
	Net Cash Flow Adequacy Ratio (%) (Note 2)	54.25	37.88	23.57	18.55	17.87	-	(3.67)	
	Cash Reinvestment Ratio (%)	(0.49)	4.53	3.89	(2.63)	2.12	-	180.61	Description 3
Leverage	Operation Leverage	1.86	1.60	1.36	1.33	1.34	-	0.75	
	Financial Leverage	1.02	1.01	1.01	1.02	1.05	-	2.94	

Reasons for the changes in financial ratios for the past two years (exemptions apply if the change is less than 20%):
Description 1: Solvency

(I) The Current Ratio and quick ratio increased due to Convert this year's short-term borrowings to medium and long-term borrowings significantly.
(II) The debt service coverage ratio decreased due to an increase in short-term borrowings and interest expenses this year.
Description 2: Management Ability The revenue and profit decreased compared with the prior year.
Description 3: Cash flow The increases in cash flow ratio and cash reinvestment ratio were due to the increase in net cash flow from operating activities compared to the prior period.

Note 1: The above financial information of 2019-2023 was verified and certified by an accountant.

Note 2: Addition to inventory shall be referred to as the value at the end of the ending period is greater than that of the beginning period. If there is decrease in inventory, put a zero.

Note 3: By the date of annual report publication, no CPA-reviewed financial data for Q1 2024 is available.

◆Formulas (International Financial Reporting Standards): See page 184 of this Annual Report.

2. Financial Analysis of Standalone Information

Unit: %

Item	Year (Note 1)	Financial analysis of the past five year					The current year as of March 31, 2024 (Note 3)	Change Rate in the Past Two Years (%)	Remark
		2019	2020	2021	2022	2023			
Financial Structure	Liabilities to Assets Ratio (%)	44.09	43.84	45.32	58.93	58.43	-	(0.85)	
	Long-term Capital to PP&E Ratio (%)	2,223.98	1,590.26	2,443.52	2,508.39	2,577.79	-	2.77	
Solvency	Current Ratio (%)	118.02	125.52	136.54	113.24	143.54	-	26.76	Description 1
	Quick Ratio (%)	66.16	42.86	69.61	45.18	65.19	-	44.29	Description 1
	Debt Service Coverage Ratio	34,179.21	36,130.08	45,792.37	9,649.12	4,425.82	-	(54.13)	Description 1
Management Ability	Average Collection Turnover (times)	10.27	14.17	13.34	11.77	7.82	-	(33.56)	Description 2
	Average Collection Days	35.54	25.75	27.36	31.01	46.67	-	50.50	Description 2
	Average Inventory Turnover (times)	0.52	0.55	0.65	0.57	0.37	-	(35.09)	Description 2
	Average Payable Turnover (times)	6.30	5.71	6.77	6.16	4.76	-	(22.73)	Description 2
	Average Inventory Turnover Days	701.92	663.63	561.53	640.35	986.48	-	54.05	Description 2
	PP&E Turnover (times)	47.02	48.92	62.83	68.95	51.30	-	(25.60)	Description 2
	Total Assets Turnover (times)	1.33	1.59	1.81	1.45	1.09	-	(24.83)	Description 2
Portability	Return on Assets (%)	10.37	14.00	18.67	14.80	12.36	-	(16.49)	
	Return on Equity (%)	17.24	24.91	33.72	31.19	29.26	-	(6.19)	
	Profit Before Tax to Capital Stock (%)	60.10	90.39	124.41	136.56	125.97	-	(7.75)	
	Profit Margin (%)	7.74	8.75	10.26	10.04	11.08	-	10.36	
	Equity per Share (NT\$)	5.03	7.48	9.96	11.14	10.28	-	(7.72)	
Cash Flow	Cash Flow Ratio (%)	8.00	33.15	24.26	17.43	30.38	-	74.30	Description 3
	Net Cash Flow Adequacy Ratio (%) (Note 2)	39.84	31.17	19.63	16.91	17.19	-	1.66	
	Cash Reinvestment Ratio (%)	(9.15)	7.94	5.05	(2.85)	0.54	-	118.95	Description 3

Leverage	Operation Leverage	1.76	1.50	1.24	1.26	1.27	-	0.79
	Financial Leverage	1.00	1.00	1.00	1.01	1.02	-	0.99

Reasons for the changes in financial ratios for the past two years (exemptions apply if the change is less than 20%):

Description 1: Solvency
(I) The Current Ratio and quick ratio increased due to Convert this year's short-term borrowings to medium and long-term borrowings significantly.
(II) The debt service coverage ratio decreased due to an increase in short-term borrowings and interest expenses this year.

Description 2: Management Ability
The revenue and profit decreased compared with the prior year.

Description 3: Cash flow
The increases in cash flow ratio and cash reinvestment ratio were due to the increase in net cash flow from operating activities compared to the prior period.

Note 1: The above financial information of 2019-2023 was verified and certified by an accountant.

Note 2: Addition to inventory shall be referred to as the value at the end of the ending period is greater than that of the beginning period. If there is decrease in inventory, put a zero.

Note 3: By the date of annual report publication, no CPA-reviewed financial data for Q1 2024 is available.

◆ Calculation Formulas (International Financial Reporting Standards):

1. Financial Structure

- (1) Liabilities to assets ratio = Total Liabilities/Total Assets
- (2) Long-term capital to PP&E ratio = (Total Equity + Non-Current Liabilities) / Net PP&E

2. Solvency

- (1) Current ratio = Current Assets/ Current Liabilities
- (2) Quick ratio = (Current Assets – Inventory - Prepaid Expenses) / Current Liabilities
- (3) Interest coverage ratio = Net Income Before Income Tax and Interest Expense / Interest Expenses

3. Management Ability

- (1) Balance of Receivables (including accounts receivable and notes receivable due to business)
Turnover = net sales/average receivables for each period (including accounts receivable and notes receivable due to business).
- (2) Average Collection Days = 365/receivables turnover.
- (3) Inventory Turnover = cost of goods sold/average inventory amount.
- (4) Balance of Payables (including accounts payable and notes payable due to business) Turnover = cost of goods sold/average payables for each period (including accounts payable and notes payable due to business).
- (5) Average Sales Days = 365/inventory turnover.
- (6) PP&E Turnover = net sales/ net average PP&E
- (7) Total Asset Turnover = net sales/average total assets.

4. Profitability

- (1) Return on Assets = [after-tax profit (loss) + interest expense × (1 - tax rate)]/average total assets.
- (2) Return on Equity = after-tax profit (loss)/average equity.
- (3) Net Profit Rate = after-tax profit (loss)/net sales.
- (4) EPS = (Equity attributable to owners of the parent – dividend from preferred shares)/weighted average number of outstanding shares.

5. Cash Flow

- (1) Cash Flow Ratio = net cash flow from operation– current liabilities
- (2) Net Cash Flow Adequacy Ratio = net cash flow from operation over the past five years/(capital expense +addition to inventory + cash dividend) over the past five years.
- (3) Cash Reinvestment Ratio = (net cash flow from operation – cash dividend)/(gross PP&E + long-term investment + other non-current assets + working capital).

6. Leverage:

- (1) Operation Leverage = (net income – variable cost and expenses from operation)/operating profit.
- (2) Financial Leverage = operating income/(operating income-interest expenses).

III. Audit report on the financial statements in the most recent year by the Audit Committee:

Ruentex Engineering & Construction Co., Ltd.

Audit Report by the Auditing Commission

The Board of Directors duly worked out the business reports, financial statements and distribution of earnings for 2023. Among them, the financial statements had been duly audited by Certified Public Accountants Huang Chin-Lien and Chang Shu-Chiung of "PricewaterhouseCoopers Taiwan" in full who, in turn, duly issued the Audit Report. After reviewing such documents, this Audit Committee found no nonconformity and thus presented this Report to the Annual General Meeting of Shareholder for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely,

The regular meeting of shareholders of the Company, 2024

Audit Committee's Convener: Shen, Xiao-Ling

March 13, 2024

- IV. Financial Statements of the previous year:** See Appendix A
- V. Individual financial statements of the previous year certified by a CPA:** See Appendix B
- VI. Financial Difficulties of the Company and Its Affiliates in the Most Recent Year and as of the Date of Publication of the Annual Report:** None.

Seven. Review of financial position, financial performance, and risk management

I. Financial Position:

Analysis of Significant Changes in Assets, Liabilities, and Equity in the Past Two Years

Unit: NTD in Thousands; %

Level \ Year	2023	2022	Difference		
			Amount	%	Description
Current Assets	11,732,229	12,053,383	(321,154)	(2.66)	
Property, plant, and equipment	3,979,515	3,801,686	177,829	4.68	
Intangible Assets	206,088	208,054	(1,966)	(0.94)	
Others Assets	6,045,256	6,275,187	(229,931)	(3.66)	
Total Assets	21,963,088	22,338,310	(375,222)	(1.68)	
Current liabilities	8,497,278	11,187,022	(2,689,744)	(24.04)	Description 1
Non-current liabilities	5,387,338	3,074,842	2,312,496	75.21	Description 1
Total liability	13,884,616	14,261,864	(377,248)	(2.65)	
Equity attributed to owners of the parent	6,469,254	6,532,481	(63,227)	(0.97)	
Capital	1,849,500	1,849,500	0	0.00	
Capital reserve	779,399	779,348	51	0.01	
Retained earnings	2,673,842	2,612,510	61,332	2.35	
Other Equities	1,166,513	1,291,123	(124,610)	(9.65)	
Non-controlling Interest	1,609,218	1,543,965	65,253	4.23	
Total Equity	8,078,472	8,076,446	2,026	0.03	
<p>1. The reasons for the change of 20% or more and the amount exceeding NT\$10 million in the past two years are described as follows: Description 1: Convert this year's short-term borrowings to medium and long-term borrowings significantly compared with the prior year.</p> <p>2. Future Plans: In the coming year, the Company will maintain its honest and stable management style, actively carve out its niche, and strengthen the contracting of turnkey projects and precast projects for technology plants to increase operating profit. The Company will also continue to promote standardization and modularization, and apply industrial engineering technologies to save costs.</p>					

II. Financial Performance:

(I) Main Reasons for Any Material Change in Operating Revenue, Operating Income, or Income Before Tax During the Past Two Fiscal Years:

Unit: NTD in Thousands; %

Level	Year	2023	2022	Difference		
				Amount	%	Description
Operation income		22,502,526	24,583,067	(2,080,541)	(8.46)	
Gross profit		3,462,778	3,388,252	74,526	2.20	
Operating Profit		2,454,124	2,439,540	14,584	0.60	
Non-operating Income and Expenses		55,523	187,135	(131,612)	(70.33)	Description 1
Net profit before tax		2,509,647	2,626,675	(117,028)	(4.46)	
Net Income (loss) Current Period		2,038,025	2,127,704	(89,679)	(4.21)	
Other Comprehensive Income in the Current Period (Net of Tax)		(120,523)	(601,333)	480,810	79.96	Description 2
Total Comprehensive Income Current Period		1,917,502	1,526,371	391,131	25.62	Description 2
Profit Attributable to Owners of the Parent		1,902,201	2,060,529	(158,328)	(7.68)	
Net Profit Attributable to Non-controlling Interests		135,824	67,175	68,649	102.19	Description 3
Total Profit and Loss Attributable to the Parent Company's Owners		1,786,222	1,514,659	271,563	17.93	
Total comprehensive income attributed to non-controlling interest		131,280	11,712	119,568	1,020.90	Description 3
Equity per Share (NT\$)		10.28	11.14	(0.86)	(7.72)	
<p>1. The reasons for the change of 20% or more and the amount exceeding NT\$10 million in the past two years are described as follows:</p> <p>Description 1: This year's dividend income decreased and interest expense increased compared with the prior year.</p> <p>Description 2: This year's valuation gain on financial instruments measured at fair value through other comprehensive income increased significantly from the prior year.</p> <p>Description 3: The net income of subsidiaries with non-controlling interests increased from the prior year.</p> <p>Future Plans:</p> <p>In the coming year, the Company will maintain its honest and stable management style, actively carve out its niche, and strengthen the contracting of turnkey projects and precast projects for technology plants to increase operating profit. The Company will also continue to promote standardization and modularization, and apply industrial engineering technologies to save costs.</p>						

(II) Sales Volume Forecast and the Basis Therefor, and the Effect Upon the Company's Financial Operations as Well as Measures to be Taken in Response:

Not applicable.

III. Cash Flow:

1. Analysis of Changes in Cash Flows for the Most Recent Year (2023)

Unit: NTD in Thousands

Beginning Cash Balance (1)	Annual Net Operating Cash Flow (2)	Annual Net Investing and Financing Cash Flows (3)	Ending Cash Balance (insufficiency) (1)+(2)-(3)	Remedy for Cash Shortage	
				Investment Plans	Financial Management Plans
2,380,096	2,183,639	(3,651,373)	912,362	-	-

(1) Analysis of Changes in Cash Flows in the Current Year:

① Annual Operating Cash Flow:

The cash inflow from operating activities was mainly from the collection of project payments. The net cash inflow from operating activities for the year was NT\$2,183,639 thousand, as the construction cases were received on time and with reasonable profit.

② Annual Investing and Financing Cash Flows:

A. Investing Activities: Cash outflow of NT\$391,027 thousand was mainly due to the acquisition of property, plants, and equipment .

B. Financing Activities: Net cash inflow of NT\$3,260,346 thousand from financing activities due to cash dividends and increased bank loans.

(2) Liquidity analysis and improvement plan for liquidity deficiency: N/A.

2. Analysis of Cash Liquidity in the Next Year (2024):

Unit: NTD in Thousands

Beginning Cash Balance (1)	Annual Net Operating Cash Flow (2)	Annual Net Investing and Financing Cash Flows (3)	Ending Cash Balance (insufficiency) (1)+(2)-(3)	Estimated Remedy for Cash Shortage	
				Investment Plans	Financial Management Plans
912,362	5,402,014	(3,323,726)	2,990,650	-	-

(1) Analysis of changes in cash flows in the current year:

① Estimated Annual Net Operating Cash Flow:

The cash inflow from operating activities in 2024 is expected to be NT\$5,402,014 thousand, mainly from the collection of project payments.

② The projected cash flows from investing activities and financing activities for the year are as follows:

A. Investing Activities: Purchase of property, plants, and equipment, and the pledge of fixed deposits to guarantee the increase in business volume, with an estimated cash outflow of NT\$500,000 thousand.

B. Financing Activities: The estimated repayment of bank loans and cash dividends is expected to result in a net cash outflow of NT\$2,823,726 thousand to financing activities.

(2) Estimated cash shortage remediation measures and liquidity analysis: None.

IV. Influence of Major Capital Spending on Financial Position and Operation in Recent Years: NA.

V. Re-Investment Policies, Main Causes of Profit or Loss, and Improvement Plans in the Previous Year, and Investment Plans in the Next Year:

- (I) Profit or Loss of the Investee Company in 2023: (See Note 2: information Related to the Reinvestment Business of Notes 13 to IX. Consolidated Financial Statements in Appendix A of this Annual Report).
- (II) We invest, on principle, in public companies with steady operations and industries in relation to the business of this Company. We will still focus on investments in companies with a well-established financial structure and assess investments carefully and conservatively to ensure the success of investment diversification.

VI. Risk Analysis and Assessment for the Previous Year Until the Date of Report Publication

- (I) Influence on gains/losses of changes in interest rate and exchange rate and inflation, and future countermeasures:
 - 1. Interest Rate Changes: Impact on profit and loss and future measures in response.
The Company's bank loan facilities are rarely utilized and, based on sound financial planning, idle funds are invested in time deposits and notes and bonds with repurchase transactions. Therefore, the impact of interest rate changes on the Company's overall profit and loss is limited.
 - 2. Exchange Rate Changes: Impact on profit and loss and future measures in response.
Since the Company's receipts and payments are mainly denominated in New Taiwan dollars, exchange rate fluctuations have little impact on the Company. only a few foreign purchases of raw materials and machinery and equipment are denominated in foreign currencies.
 - 3. Inflation: Impact on profit and loss and future measures in response.
Projects with longer contracting periods are more affected by fluctuations in international raw material costs. In order to avoid the reduction of profit and loss caused by inflation, the Company not only uses the raw material price locking mechanism to control all sources of raw material supply at the early stage of contracting to avoid the risk, but also adopts cost-plus pricing for owner-contracted contracts to avoid the impact of fluctuations in construction materials and construction costs and ensure the Company's profit. For certain projects with a higher risk of inflation, the Company reaches agreements with the client to pay a certain percentage of advance payment at the early stage of contract signing or adopts the cost-plus method of contracting. For public works, it is also specified in the contract that the unit price adjustment can be made in accordance with the public works price adjustment index mechanism. Overall, the above measures have been taken to minimize the impact of inflation on the Company's profit and loss.
- (II) Policies, main reason(s) for gains/losses, and future countermeasures for engaging in high-risk and high-leverage investments, lending, offering guarantees and endorsements, and derivatives investments:
 - 1. The Company's Current Status

- A. The Company's operating policy is to focus on the development of its business and does not engage in high-risk, highly leveraged investments, capital lending, or derivative transactions.
 - B. The Company provides endorsements and guarantees in accordance with the "Regulations Governing Endorsements and Guarantees". As of March 20, 2024, the Company has guaranteed the lease of land of Ruentex Materials Co., Ltd. in the amount of NT\$88,368 thousand.
2. Future Response Measures:
In the days and years ahead, the Company will still focus on its principal business lines and tries not to engage in any transactions subject to high risk, high leverage investment, and transactions in derivative financial instruments. Toward the beneficiaries of endorsements/guarantees, the Company shall continually track and evaluate to prevent any potential adverse impact upon the Company to minimize all sorts of potential operating risks.
- (III) Future R&D Projects and Planned R&D Funds:
The Company's R&D expenditure in 2024 is estimated to be NT\$88,803 thousand, mainly in the following directions:
- 1. Low-carbon and sustainable construction:
 - (1) Conduct carbon inventory and establish carbon emission baseline data.
 - (2) Establish carbon reduction and sustainability goals.
 - (3) Application for the Low-Carbon Engineering Act.
 - 2. Technology development, improvement, introduction and promotion:
 - (1) Development, improvement, or introduction of technologies in line with the needs of construction, design, and manufacturing departments.
 - (2) Technology promotion: Regularly share the R&D results with site supervisors and collect site feedback.
- (IV) The Impact of Important Domestic and International Policies and Legal changes on the Company's Financial Business and Countermeasures:
The Company keeps a close watch on the development of domestic and foreign political, economic, financial, and financial situations and changes in laws and regulations, and responds appropriately and in a timely manner. As of the publication date of the Annual Report, there were no significant domestic or foreign policy and legal changes that had a material impact on the Company's finances and operations. The Company will continue to closely monitor any policy and legal changes that could have a material impact on the Company's finances and operations.
- (V) The Impact of Technological (includes information security risk) and Industrial Changes on the Company's Financial Business and Countermeasures:
The Company has maintained a good relationship with the academia and industry. The Company also actively participates in seminars or technical presentations on construction or company operations to obtain professional and market information, and introduce technologies or techniques based on suitability to enhance competitiveness. For example, the Company was the first to introduce the ERP system in the construction industry to integrate the Company's resources and control processes. The Company has also been developing various electronic project management information system platforms to achieve real-time and precise management performance. See page 193 of this Annual Report for additional information on information security risk management measures.
- (VI) The Impact of Changes in Corporate Image on Corporate Crisis Management and Countermeasures:
The Company's business principles are to comply with laws and regulations, provide value to customers, protect the rights of shareholders, value employees benefits, and

fulfill corporate social responsibility. In the case of an unexpected situation, the Company establishes a response team with a senior executive as the convener in order to solve the crisis quickly. As of the publication date of the Annual Report, the Company has not experienced any change in corporate image that would have an impact on corporate crisis management.

(VII) Expected benefits and potential risks of mergers and acquisitions: NA.

(VIII) Expected benefits and potential risks of factory expansion and countermeasures: NA.

(IX) Risks Arising From Purchase or Sale Concentration:

The Company mainly engages in construction project contracts, and its main business scope is public works, technology plants, high-end residential and commercial office buildings, etc. There is no concentration of sales. In terms of procurement, the Company carefully evaluates the quality and technical and operational financial status of each subcontractor and material supplier before purchasing, and if necessary, the Company distributes the larger purchases of the project among several subcontractors to ensure smooth execution of the project.

(X) Effect Upon and Risk to the Company in the Event a Major Quantity of Shares Belonging to a Director, Supervisor, or Shareholder Holding a Greater Than a 10 Percent Stake in the Company Has Been Transferred or Has Otherwise Changed Hands, and Mitigation Measures Being or to Be Taken:

As of the publication date of the Annual Report, the Company did not have a substantial transfer or replacement of shares by directors, supervisors, or major shareholders holding more than 10% of the shares.

(XI) Influence and Risks of Management Changes and Countermeasures:

As of the publication date of the Annual Report, the Company did not have any changes in its management rights.

(XII) Litigious or Non-litigious Events:

1.(1) Litigious Events:

Date/Item	Reason	Current Handling	Possible Effects
Haomen International Development Co., Ltd. (hereinafter referred to as Haomen) applied to the Taipei District Court for a payment order on May 19, 2023, requesting the Company to pay for the construction works totaling NT\$27,993,000 and the interests thereof. After the Company raised an objection to the payment order, the matter was transferred to the Taiwan Taipei District Court for trial pursuant to the Jian-Zi No. 214 in 2023.	That Haomen Company contracted the GRC design work of CONI INTERNATIONAL GROUP CONI BEAUTY INTERNATIONAL CO., LTD. Haomen claimed that the Company had subcontracted the GRC construction works to Haomen. However, the Company believed that the claims were not true and denied it. Therefore, Haomen followed the legal procedures and requested the Company to pay the construction payment in the amount of NT\$27,993,000 and the interest thereof.	This case is currently under proceedings of the first instance in the Taipei District Court.	If the Company loses the lawsuit, it will pay the judgment amount within the range not exceeding NT\$27,993,000 and the interest thereof, but there is no significant impact on the financial position.

1. (2) Non-litigious Events: N/A.

2. Litigious, non-litigious, or administrative disputes that: (1) involve any company director, any company supervisor, President, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation; where such a dispute could materially affect shareholders' equity or the prices of the Company's securities: None.

(XIII) Other significant risks and countermeasures:

1. Information security related risks and the control measure therefor:

- (1) Here at the Group, we have duly enacted the "Operating Procedures on Management over Information Security". Aiming at information storage and processing, transmission, access control, equipment security and the like, we have set up concrete management specifications to minimize potential information security risks. Such efforts will facilitate the normal operation of our information systems. In response to the management and audit over the Company's information security, we have duly worked out the Company's information security specifications along with sound managerial plans, including notably regulations for implementation and enforcement rules thereof, operating plans and penalty clauses to facilitate standardized management and audit over Internet information security.
- (2) Given the fact that information security insurance is still a newly emerging type of insurance involving information security level testing agencies, insurance claim identification agencies and non-claim conditions and other matching measures concerned. We, therefore, are still carrying out assessment over information security related insurance policy(ies). Here at the Company, we have duly implemented concrete risk control and management pursuant to the information security specifications. Subsequently our target is to put forth continued efforts to strengthen information security protection to set up concerted protection mechanism, in particular the efforts to train and cultivate high-quality information security talents to upgrade their professional functions and enact relevant cultivation & training programs to carry out information security advocacy and audit operation with continued and uninterrupted efforts. In turn, we shall upgrade entire staff in their information security literacy and strengthen information security.

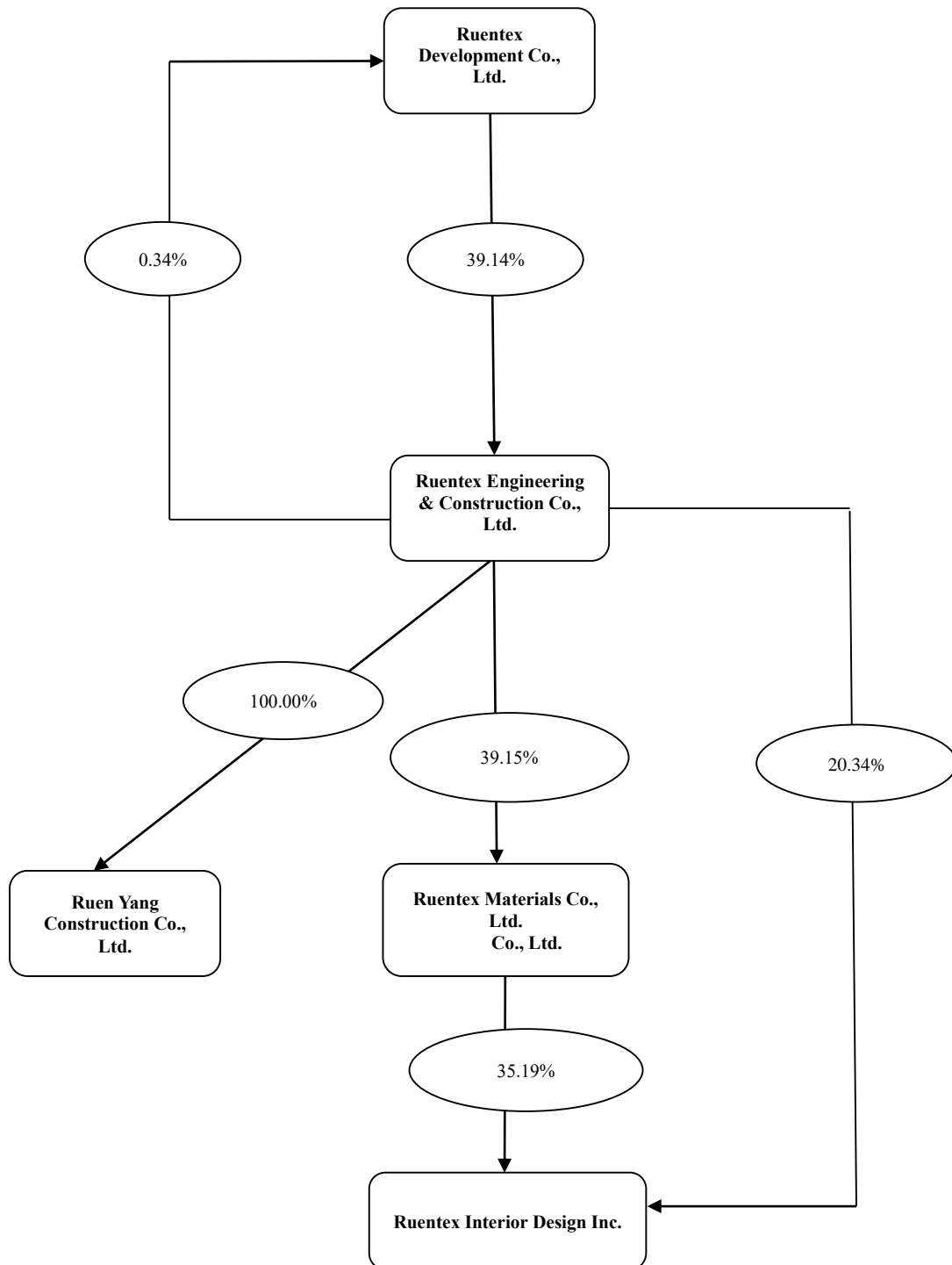
VII. Other Material Information: NA.

Eight. Special Remarks

I. Information of Affiliates:

(I) Consolidated Business Reports of Affiliates

1.(1) Organization Chart of Affiliates:



(2) Basic Data of Affiliates:

Unit: NTD/USD in Thousands; December 31, 2023

Affiliate	Established On	Address	Paid-in Capital	Major Business or Production
Ruentex Materials Co., Ltd.	September 23, 1992	10F., No. 308, Sec. 2, Bade Rd., Taipei City	1,500,000	Forestry, non-metallic mining, soil and stone extraction, other chemical products manufacturing, cement manufacturing, ready-mixed concrete manufacturing.
Ruen Yang Construction Co., Ltd.	March 13, 1995	10F., No. 308, Sec. 2, Bade Rd., Taipei City	6,000	Civil Engineering
Ruentex Interior Design Inc.	November 14, 1994	11F.-1, No. 308, Sec. 2, Bade Rd., Taipei City	135,000	Interior decoration and garden design and construction, design and decoration of exhibition and fairgrounds and sales, assembly, import and export of furniture, etc.

(3) Data of shareholders with designated control or affiliation: NA

(4) Industries covered by the operations of all affiliates: The businesses of the Company and its affiliates include manufacturing and investment in the construction of residential and office buildings, cement manufacturing, and cable installation engineering.

(5) Directors, Supervisors, and Presidents of Affiliates and their Shareholdings:

December 31, 2023

Affiliate	Title	Name or Representative	Shareholdings	
			Shares	Shareholding percentage
Ruentex Materials Co., Ltd.	Chairman	Ruentex Engineering & Construction Co., Ltd. Representative: Mo, Wei-Han	58,726,917	39.15%
	Director	Ruentex Industries Ltd. Representative: Hsu, Sheng-Yu	7,139,530	4.76%
	Director	Ruentex Engineering & Construction Co., Ltd. Representative: Li, Jhih-Hong	58,726,917	39.15%
	Director	Ruentex Industries Ltd. Representative: Chen, Hsueh-Hsien	7,139,530	4.76%
	Director	Huei Hong Investment Co., Ltd. Representative: Yin, Chong-Yao	4,214,222	2.81%
	Director	Huei Hong Investment Co., Ltd. Representative: Yin, Chong-en	4,214,222	2.81%
	Independent Director	Chen, Ming-Chin	0	0%
	Independent Director	Chang, Ta-Peng	0	0%
	Independent Director	Huang, Shi-jian	0	0%
	President	Chen, Hsueh-Hsien	0	0%
Ruen Yang Construction Co., Ltd.	Chairman	Ruentex Engineering & Construction Co., Ltd. Representative: Lee, Zhen-Hong	600,000	100.00%
	Director	Ruentex Engineering & Construction Co., Ltd. Representative: Chang, Gong-Chen	600,000	100.00%
	Director	Ruentex Engineering & Construction Co., Ltd. Representative: Wang, Jui-Chen	600,000	100.00%

Affiliate	Title	Name or Representative	Shareholdings	
			Shares	Shareholding percentage
	Supervisors	Ruentex Engineering & Construction Co., Ltd. Representative: Lee, Yao-Chin	600,000	100.00%
Ruentex Interior Design Inc.	Chairman	Ruentex Materials Co., Ltd. Representative: Jean, Tsang-Jiunn	4,750,000	35.19%
	Director	Ruentex Materials Co., Ltd. Representative: Hou, Kai-lin	4,750,000	35.19%
	Director	Lu, Yu-Huang	358,000	2.65%
	Director	Lin, Zong-yao	0	0%
Ruentex Interior Design Inc.	Independent Director	Lai, Guan-zhong	0	0%
	Independent Director	Qiu, Qin-ting	0	0%
	Independent Director	Yang, Yi-dong	0	0%

2. Performance of Affiliates

Unit: NTD in Thousands; December 31, 2023

Affiliate	Authorized Capital	Total Assets	Total liability	Total Equity	Operation income	Operating Income	Income of the Period After Taxes	Equity per Share (NT\$)
Ruentex Materials Co., Ltd. (Ruentex Cement)	1,500,000	6,359,858	4,078,643	2,281,215	3,988,001	115,677	114,983	0.77
Ruen Yang Construction Co., Ltd.	6,000	12,686	6,630	6,056	54,197	2,073	1,666	2.78
Ruentex Interior Design Inc.	135,000	1,237,519	740,358	497,161	1,521,800	174,439	148,069	10.97

(II) Consolidated Financial Statements of Affiliates:

The entities that are required to be included in the consolidated financial statements of the Company for the year 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared conforming with the International Financial Reporting Standard 10. In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements (See Appendix A of this Annual Report). Consequently, a separate set of consolidated financial statements will not be prepared.

(III) Affiliation Report:

(1) Statement of Affiliation Report:

Ruentex Engineering & Construction Co., Ltd.

Statement of Affiliation Report

The Affiliation Report for the year ended December 31, 2023 has been prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises". The information disclosed is consistent with the information disclosed in the notes to the financial statements for the aforementioned period.

Company name: Ruentex Engineering & Construction Co., Ltd.

Responsible Person: Li, Jhih-Hong

March 13, 2024

(2) CPA Review Report on the Affiliation Report:

Ruentex Engineering & Construction Co., Ltd.

CPA Review Report on the Affiliation Report

(2023) Cai-Shen-Bao-Zi No. 23006463

Ruentex Engineering & Construction Co., Ltd.:

The Ruentex Engineering & Construction Co., Ltd. 2023 Affiliation Report have been prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises". The financial information has been reviewed by our auditors, together with the related information disclosed in the notes to the financial statements of the aforementioned period.

Based on our review, we believe that the Ruentex Engineering & Construction Co., Ltd. 2023 Affiliation Report discloses information in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises". The financial information is consistent with the financial statements and no material modifications are required.

PwC Taiwan

Chin-lien Huang

CPA

Shu-chiung Chang

Financial Supervisory Commission

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No. 1100348083

Former Financial Supervisory Commission, Executive Yuan

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No. 0990042602

March 13, 2024

1. Overview of the Relations Between the Subordinate Company and the Controlling Company:

The Company is a subordinate of Ruentex Development Co., Ltd. Related information is as follows:

Unit: Shares; %

Name of the Controlling Company	Reason for Control	Shareholding and Share Pledging of the Controlling Company			Controlling Company's Staff as Directors, Supervisors, or Managers	
		Number of shares held	Shareholding percentage	Number of Share Pledges	Title	Name
Ruentex Development Co., Ltd. (Ruentex Development)	Though Ruentex Development does not own more than 50% of the voting rights directly or indirectly, but it is the Company's biggest shareholder and meets the requirement of controlling capability.	72,397,456	39.14%	-	Chairman Director Director	Li, Jhih-Hong Zhang, Kun-Long Lin, Chin-Szu

2. Transaction information:

The transactions between the Company and its controlling company, Ruentex Development Co., Ltd. (hereinafter referred to as Ruentex Development), are as follows:

(1) Purchases and Sales:

Unit: NTD in Thousands; %

Transaction Status With the Controlling Company				Transaction Conditions With the Controlling Company		General Terms and Conditions of Transaction		Reason for Difference	Accounts and Notes Receivable/Payable		Overdue Accounts Receivable			Remark
Purchase (sales)	Amount	As a Percentage of Total Purchases (sales) of Goods	Gross Profit From Sales	Unit price	Credit period	Unit price	Credit period		Balance	As a Percentage of Accounts Receivable/Payable and Notes Receivable/Payable	Amount	Approach to handling	Bad debt allowance	
Sale of goods	3,680,120	21.45%	380,500	Note				416,150	14.26%	-	-	-		
Purchase of goods	-	-	-	-				-	-	-	-	-	-	

Note: The contract price of the Company's contract of construction with Ruentex Development was negotiated by both parties and is collected by the due date as stated in the contract.

(2) Property Transactions: No significant transactions.

(3) Financing: No significant transactions.

(4) Lease of Assets: No significant transactions.

(5) Other Significant Transactions: As of December 31, 2023, the total contract price between the Company and Ruentex Development was NT\$ 18,840,887 thousand, and the Company had received NT\$10,301,935 thousand in advance for the project.

3. Endorsements and Guarantees:

(1) As of December 31, 2023, the Company has not provided any endorsements or guarantees for Ruentex Development.

(2) As of December 31, 2023, Ruentex Development has not provided any endorsements or guarantees for the Company.

4. Other Events With Significant Financial or Business Impact: None.

II. Private Placements of Securities in the Previous Year and by the Date of Report Publication: NA.

III. Stocks of this Company Held and Disposed by Subsidiaries in the Previous Year and by the Date of Report Publication: NA.

IV. Other Required Supplementary Notes: NA.

Nine. Events with material impacts on equity or stock price as specified in Item 2, Paragraph 2, Article 36 of the Securities and Exchange Act in the previous year and by the date of report publication: NA.

【Appendix A】

Ruentex Engineering & Construction Co., Ltd. and
Subsidiaries
Consolidated Financial Statements and Report of Independent
Accountants
2023 and 2022
(Stock Code: 2597)

Company Address: 10F., No. 308, Sec. 2, Bade Rd., Taipei City
Telephone: (02) 8161-9999

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries

Declaration of Consolidated Financial Statements of Affiliated Enterprises

The entities that are required to be included in the consolidated financial statements of the Company as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, a separate set of combined financial statements will not be prepared.

Hereby declare.

Company name: Ruentex Engineering & Construction
Co., Ltd.

Responsible person: Lee, Chih-Hung

March 13, 2024

Independent Auditors' Report

(2024) Cai-Shen-Bao-Zi No. 23004854

Ruentex Engineering & Construction Co., Ltd.:

We have audited the consolidated balance sheets of Ruentex Engineering & Construction Co., Ltd. and its subsidiaries (hereinafter referred to as “the Group”) for December 31, 2023 and December 31, 2022, the consolidated comprehensive income statements, equity statements and cash flow statements of Ruentex Group for the period from Jan. 1 to December 31, 2023 and the period from January 1 to December 31, 2022, and the notes to the consolidated financial report (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended is in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued by the Financial Supervisory Commission.

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the section of “Responsibilities of the Accountants for the Audit of Consolidated Financial Statements” in our report. We are independent of the Ruentex Engineering & Construction Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that sufficient and appropriate audit evidences have been obtained as a basis to express opinion of the audit.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a

whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The most significant key audit matters in our audit of Ruentex Engineering & Construction Group's consolidated financial statements for the year ended 2023 are as follows:

Assessment on Recognition of Construction Contract Income - Construction Completion Progress

Description of Key Audit Matters

For the year of 2023, Ruentex Engineering & Construction Group's construction contract revenue was NT\$18,668,335 thousand, representing 82.96% of consolidated operating revenue. Please see Note 4(25) for accounting policies on revenue recognition, Note 5(2) for critical accounting estimates and assumptions and Note 6(20) for details of significant accounts.

The Ruentex Engineering & Construction Group of construction contract income was calculated based on the percentage of completion method and according to the completion progress during the construction contract period. The construction progress was calculated based on the percentage of the cost incurred for each construction contract up to the end of the financial report period over the expected total cost for such construction contract. The aforementioned estimation of the expected total cost was provided by the Ruentex Engineering & Construction Group based on its estimation on various construction costs required for contracting works and material/labor expenses etc. according to the quantitative units of building structural drawings etc. of owners along with the fluctuation of the Current market price at that time.

Since the estimation of construction total cost can affect the recognition of construction completion progress and the construction contract income, and since the construction total cost items are complicated and often involving high degree of estimation, such that it can cause major uncertainty, consequently, we've considered listing the assessment on the construction completion progress used in the recognition of construction contract income as one of the key matters in this year's audit.

Corresponding Audit Procedures

We summarize the audit procedures executed for the aforementioned key audit matters related to construction completion progress as follows:

1. Based on our understanding of the business operation and nature of industry of Ruentex

Engineering & Construction Group, we assessed the internal operation procedures used in the estimation of construction total cost, including the quantitative unit of building structural drawings of owners in order to determine the procedures for each construction cost (contracting works and material/labor expense) and the consistency of the estimation method.

2. We assessed and tested the internal controls that would affect the recognition of construction contract revenue based on stage of completion, including verifying the evidence of additional or less work and significant constructions.
3. We conducted on-site observation and interviews at major construction sites still in progress at the end of the sampling period to confirm that the progress of such projects was proceeding as scheduled.
4. We obtained details of construction profit or loss and performed substantive procedures, including randomly checking the incurred cost of current period with the appropriate evidence, and additional or less work with the supporting documents, and recalculated the stage of completion to ensure a reasonable recognition of construction contract revenue.

Accuracy of Time for Recognition of Construction Cost

Description of Key Audit Matters

Please see Note 4(25) for accounting policies on the recognition of construction costs.

The construction cost of each construction project of Ruentex Engineering & Construction Group already incurred at the end of financial report period was estimated and Ruentex Engineering & Construction Group according to the construction progress and the acceptance result. Such process of construction cost Ruentex Engineering & Construction Group often involves whether each project construction personnel performs the acceptance and pricing operation according to the actual construction result, and difference in the time for Ruentex Engineering & Construction Group the construction cost due to failure to perform such works properly can have significant impact on the presentation of financial statements. Consequently, during the Ruentex Engineering & Construction Group of construction cost, we considered and listed the accuracy of time for Ruentex Engineering & Construction Group of construction cost as one of the key audit matters.

Corresponding Audit Procedures

We summarize the audit procedures executed for the aforementioned key audit matters as follows:

1. We conducted understanding and tested on the process adopted by the management in the recognition of construction cost to verify that it had been performed according to the internal control operation of the Company, including that the construction personnel had performed acceptance according to the construction result and had submitted to the accounting department to perform account entry after the confirmation of the responsible supervisors.
2. We performed the cut-off test on the construction cost incurred for a certain period before and after the end of the financial report period, including the verifying the acceptance record, verifying the accuracy of the calculation of construction pricing, confirming that the construction cost incurred had been recorded at the appropriate period.

Other matters - Unconsolidated Financial Report

We have audited and expressed an unqualified opinion on the parent only financial

statements of Ruentex Engineering & Construction Co., Ltd. as of and for the years ended December 31, 2023 and 2022.

Responsibilities of the Management and Governing Bodies for Consolidated Financial Statements

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIS Interpretations, and SIC Interpretations as endorsed and issued by the Financial Supervisory Commission and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Responsibilities of the Accountants for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that included our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatement may be caused by fraud or error. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards in the Republic of China, we

exercise professional judgment and professional skepticism throughout the audit. Also:

1. We identify and assess the risks of material misstatement of consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. We evaluate the overall presentation, structure and content of the consolidated financial statements, including the related disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. We obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for directing, overseeing and executing audit of the Group, and forming the audit opinion for the Group.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control that we identify during our audit).

We also provide the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters, including relevant protective measure, that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's consolidated financial statements of 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Chin-lien Huang

CPA

Shu-chiung Chang

Financial Supervisory Commission

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No. No. 1100348083

Former Financial Supervisory Commission, Executive Yuan

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No. No. 0990042602

March 13, 2024

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ thousands

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 912,362	4	\$ 2,380,096	11
1136	Financial assets measured by amortized cost - current	6(6)	-	-	75,000	-
1140	Contract asset - current	6(20) and 7	4,920,664	22	5,581,710	25
1150	Net bills receivable	6(2)	1,003,702	5	575,894	3
1160	Bills receivable - related parties - net	6(2) and 7	55,557	-	51	-
1170	Net Accounts Receivable	6(2)	2,368,648	11	1,701,534	8
1180	Accounts receivable - related parties - net	6(2) and 7	749,036	3	74,504	-
1200	Other receivables		5,275	-	1,737	-
1210	Other Receivables - related party	7	9,519	-	9,038	-
1220	Current tax assets		87	-	6,129	-
130X	Inventories	6(3)	754,319	3	719,608	3
1410	Prepayments	6(4)	384,499	2	404,108	2
1470	Other Current Assets	6(1) and 8	568,561	3	523,974	2
11XX	Total current assets		<u>11,732,229</u>	<u>53</u>	<u>12,053,383</u>	<u>54</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non- current	6(5) and 7	4,334,599	20	4,474,311	20
1535	Amortized cost financial Assets - non-Current	6(6)	500,000	2	500,000	2
1600	Property, plant, and equipment	6(7), 7 and 8	3,979,515	18	3,801,686	17
1755	Right-of-use assets	6(8) and 7	959,226	4	978,475	4
1780	Intangible Assets	6(9)	206,088	1	208,054	1
1840	Deferred tax Assets	6(28)	125,871	1	127,449	1
1900	Other non-current Assets	6(1) and 8	125,560	1	194,952	1
15XX	Total non-current assets		<u>10,230,859</u>	<u>47</u>	<u>10,284,927</u>	<u>46</u>
1XXX	Total Assets		<u>\$ 21,963,088</u>	<u>100</u>	<u>\$ 22,338,310</u>	<u>100</u>

(Continued)

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ thousands

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(10) and 8	\$ 750,000	3	\$ 3,239,000	15
2110	Short-term bills payable	6(11)	369,932	2	884,342	4
2130	Contract liabilities - current	6(20) and 7	2,204,072	10	1,012,514	5
2150	Notes payable		818,024	4	996,934	4
2170	Accounts Payable		2,829,422	13	2,919,943	13
2200	Other payables	6(12)	863,069	4	784,201	4
2230	Income tax liabilities of current period		473,310	2	494,205	2
2280	Lease liabilities - current	6(8) and 7	102,929	1	95,551	-
2320	Long-term liabilities due within one year or one operating cycle	6(13) and 8	75,000	-	750,000	3
2399	Other current liabilities - other		11,520	-	10,332	-
21XX	Total Current Liabilities		<u>8,497,278</u>	<u>39</u>	<u>11,187,022</u>	<u>50</u>
Non-current liabilities						
2540	Long-term borrowings	6(13) and 8	4,225,000	19	1,800,000	8
2570	Deferred income tax liabilities	6(28)	17,375	-	17,577	-
2580	Lease liabilities - non-current	6(8) and 7	869,425	4	890,139	4
2600	Other non-Current liabilities	6(14)	275,538	1	367,126	2
25XX	Total Non-Current Liabilities		<u>5,387,338</u>	<u>24</u>	<u>3,074,842</u>	<u>14</u>
2XXX	Total Liabilities		<u>13,884,616</u>	<u>63</u>	<u>14,261,864</u>	<u>64</u>
Equity						
Equity attributed to owners of the parent						
Capital		6(16)				
3110	Share capital		1,849,500	9	1,849,500	8
Capital surplus		6(17)				
3200	Capital surplus		779,399	3	779,348	3
Retained earnings		6(18)				
3310	Legal reserve		742,207	4	535,418	3
3350	Undistributed earnings		1,931,635	9	2,077,092	9
Other equities		6(19)				
3400	Other equities		1,166,513	5	1,291,123	6
31XX	Total equity attributable to owners of parent		<u>6,469,254</u>	<u>30</u>	<u>6,532,481</u>	<u>29</u>
36XX	Non-controlling Interest	4(3)	<u>1,609,218</u>	<u>7</u>	<u>1,543,965</u>	<u>7</u>
3XXX	Total Equity		<u>8,078,472</u>	<u>37</u>	<u>8,076,446</u>	<u>36</u>

The accompanying notes are in integral part of these consolidated financial statements.

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ thousands

	Significant Contingent Liabilities and	9						
	Unrecognized Commitments							
	Significant subsequent events	11						
3X2X	Total Liabilities and Equity		\$	<u>21,963,088</u>	<u>100</u>	\$	<u>22,338,310</u>	<u>100</u>

The accompanying notes are in integral part of these consolidated financial statements.

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands
(Except earnings per share, which is in NT\$)

	Item	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating Revenue	6(20) and 7	\$ 22,502,526	100	\$ 24,583,067	100
5000	Operation cost	6(3)(9) (21) (26) (27) and 7	(19,039,748)	(85)	(21,194,815)	(86)
5900	Gross profit		<u>3,462,778</u>	<u>15</u>	<u>3,388,252</u>	<u>14</u>
	Operating Expenses	6(9)(26) (27) and 7				
6100	Selling expenses		(173,455)	(1)	(137,409)	(1)
6200	General & administrative expenses		(742,669)	(3)	(739,557)	(3)
6300	R&D expenses		(88,842)	-	(71,846)	-
6450	Expected credit impairment (losses) gains	12(2)	(3,688)	-	100	-
6000	Total Operating Expenses		(1,008,654)	(4)	(948,712)	(4)
6900	Operating Profit		<u>2,454,124</u>	<u>11</u>	<u>2,439,540</u>	<u>10</u>
	Non-operating Income and Expenses					
7100	Interest revenue	6(6)(22) and 7	29,340	-	24,732	-
7010	Other income	6(23)	147,667	1	209,926	1
7020	Other gains and losses	6(8)(24)	(3,317)	-	19,603	-
7050	Financial Costs	6(8)(25) and 7	(118,167)	(1)	(67,126)	-
7000	Total non-operating income and expenses		<u>55,523</u>	<u>-</u>	<u>187,135</u>	<u>1</u>
7900	Net profit before tax		<u>2,509,647</u>	<u>11</u>	<u>2,626,675</u>	<u>11</u>
7950	Income tax expense	6(28)	(471,622)	(2)	(498,971)	(2)
8200	Net income of current period		<u>\$ 2,038,025</u>	<u>9</u>	<u>\$ 2,127,704</u>	<u>9</u>
	Other comprehensive income (net)					
	Items not to be reclassified into profit or loss					
8311	Remeasurements of defined benefit plans	6(15)	\$ 10,256	-	\$ 9,986	-
8316	Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(5)	(128,919)	-	(607,875)	(3)
8349	Income tax relating to non-reclassified items	6(28)	(1,860)	-	(3,444)	-
8310	Total of items not to be reclassified into profit or loss		(120,523)	-	(601,333)	(3)
8500	Total comprehensive income for this period		<u>\$ 1,917,502</u>	<u>9</u>	<u>\$ 1,526,371</u>	<u>6</u>
	Profit attributable to:					
8610	Owners of the parent		\$ 1,902,201	8	\$ 2,060,529	9
8620	Non-controlling Interest		135,824	1	67,175	-
			<u>\$ 2,038,025</u>	<u>9</u>	<u>\$ 2,127,704</u>	<u>9</u>

The accompanying notes are in integral part of these consolidated financial statements.

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands
(Except earnings per share, which is in NT\$)

Total comprehensive income (loss)							
attributable to:							
8710	Owners of the parent	\$	1,786,222	8	\$	1,514,659	6
8720	Non-controlling Interest		131,280	1		11,712	-
		<u>\$</u>	<u>1,917,502</u>	<u>9</u>	<u>\$</u>	<u>1,526,371</u>	<u>6</u>
Earnings per share		6(30)					
9750	Basic earnings per share	<u>\$</u>	<u>10.28</u>		<u>\$</u>	<u>11.14</u>	
9850	Diluted earnings per share	<u>\$</u>	<u>10.27</u>		<u>\$</u>	<u>11.13</u>	

The accompanying notes are in integral part of these consolidated financial statements.

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Consolidated statement of changes in Equity
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

Equity attributed to owners of the parent												
Notes	Capital surplus				Retained earnings			Unrealized financial assets at fair value through other comprehensive income acquired	Total	Non-controlling Interest	Total Equity	
	Share capital	Issued at premium	Difference between the equity price and the book value of acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Capital surplus - others	Legal reserve	Undistributed earnings					Income (Loss)
<u>2022</u>												
	Balance on January 1, 2022	\$ 1,849,500	\$ 520,455	\$ 18,858	\$ 234,133	\$ -	\$ 350,043	\$ 1,859,130	\$ 1,843,966	\$ 6,676,085	\$ 1,536,152	\$ 8,212,237
	Net income of current period	-	-	-	-	-	-	2,060,529	-	2,060,529	67,175	2,127,704
	Other comprehensive income 6(19)	-	-	-	-	-	-	7,358	(553,228)	(545,870)	(55,463)	(601,333)
	Total comprehensive income for this period	-	-	-	-	-	-	2,067,887	(553,228)	1,514,659	11,712	1,526,371
	Appropriation and distribution of the earnings for 2021 6(18)											
	Legal reserve	-	-	-	-	-	185,375	(185,375)	-	-	-	-
	Cash dividends	-	-	-	-	-	-	(1,664,550)	-	(1,664,550)	-	(1,664,550)
	Disposal of equity in subsidiaries (without losing control) 6(29)	-	-	5,902	-	-	-	-	385	6,287	23,623	29,910
	Cash dividends for non-controlling interests	-	-	-	-	-	-	-	-	-	(27,522)	(27,522)
	Balance on December 31, 2022	\$ 1,849,500	\$ 520,455	\$ 24,760	\$ 234,133	\$ -	\$ 535,418	\$ 2,077,092	\$ 1,291,123	\$ 6,532,481	\$ 1,543,965	\$ 8,076,446
<u>January 1 to September 30, 2023</u>												
	Balance on January 1, 2023	\$ 1,849,500	\$ 520,455	\$ 24,760	\$ 234,133	\$ -	\$ 535,418	\$ 2,077,092	\$ 1,291,123	\$ 6,532,481	\$ 1,543,965	\$ 8,076,446
	Net income of current period	-	-	-	-	-	-	1,902,201	-	1,902,201	135,824	2,038,025
	Other comprehensive income 6(19)	-	-	-	-	-	-	8,631	(124,610)	(115,979)	(4,544)	(120,523)
	Total comprehensive income for this period	-	-	-	-	-	-	1,910,832	(124,610)	1,786,222	131,280	1,917,502

The accompanying notes are in integral part of these consolidated financial statements.

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Consolidated statement of changes in Equity
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Equity attributed to owners of the parent											
	Notes	Capital surplus				Retained earnings			Unrealized financial assets at fair value through other comprehensive income acquired Income (Loss)	Total	Non-controlling Interest	Total Equity
		Share capital	Issued at premium	Difference between the equity price and the book value of acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Capital surplus - others	Legal reserve	Undistributed earnings				
Appropriation and distribution of the earnings for 2022	6(18)											
Legal reserve		-	-	-	-	-	206,789	(206,789)	-	-	-	-
Cash dividends		-	-	-	-	-	-	(1,849,500)	-	(1,849,500)	-	(1,849,500)
Changes of other capital reserves:		-	-	-	-	51	-	-	-	51	-	51
Cash dividends for non- controlling interests		-	-	-	-	-	-	-	-	-	(66,027)	(66,027)
Balance on December 31, 2023		<u>\$ 1,849,500</u>	<u>\$ 520,455</u>	<u>\$ 24,760</u>	<u>\$ 234,133</u>	<u>\$ 51</u>	<u>\$ 742,207</u>	<u>\$ 1,931,635</u>	<u>\$ 1,166,513</u>	<u>\$ 6,469,254</u>	<u>\$ 1,609,218</u>	<u>\$ 8,078,472</u>

The accompanying notes are in integral part of these consolidated financial statements.

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2023	2022
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 2,509,647	\$ 2,626,675
Adjustments			
Income and expenses			
Expected credit impairment (losses) gains	6(26) and 12(2)	3,688	(100)
Depreciation expense	6(7)(8) (26)	411,710	365,456
Amortization and depreciation expenses	6(9)(26)	12,759	12,145
Gains on disposals of real estate, plant and equipment	6(24)	(43)	(10,475)
Gains on lease modifications	6(8)(24)	-	(175)
Dividend income	6(23)	(122,213)	(184,983)
Interest revenue	6(22)	(29,340)	(24,732)
Interest Cost	6(7)(8) (25)	118,167	67,126
Gains on write-off of accounts payable past due	6(23)	(13,970)	(903)
Other income		(3,927)	(18,347)
Prepaid equipment transferred to R&D expenses	6(31)	1,087	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contractual assets - Current		661,046	(2,269,984)
Notes receivable		(427,808)	601,076
Notes Receivable – related party		(55,506)	5,662
Accounts receivable		(670,802)	(551,446)
Accounts receivable - related party		(674,532)	203,647
Other receivables		(3,929)	(175)
Other receivables - related Party		(481)	29
Inventories		(34,711)	(145,802)
Prepayments		19,609	(31,788)
Other Current Assets		(15,476)	5,949
Net change in liabilities related to operating activities			
Contract liabilities - current		1,103,284	(118,211)
Notes payable		(178,910)	132,300
Accounts Payable		(76,518)	782,043
Other payables		103,053	51,437
Other Current liabilities		(822)	1,483
Other non-Current liabilities		4,344	25,957
Cash flow in from operating		2,639,406	1,523,864
Interest received		29,734	23,737
Dividends received		122,213	184,983
Interest paid		(120,754)	(63,015)
Income tax paid		(493,002)	(354,302)
Income tax refunded		6,042	2,685
Cash inflow from operating activities		2,183,639	1,317,952

(Continued)

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2023	2022
<u>Cash flows from investing activities</u>			
Acquisition of financial assets measured at amortized costs - current		(\$ 360)	(\$ 75,000)
Disposal of financial assets measured at amortized costs - current		75,360	-
Decrease (increase) in other financial assets		453	(38,532)
Share capital returned from capital reduction in financial assets at fair value through other comprehensive income	6(5)	10,793	-
Acquisition of financial assets at fair value through other comprehensive income - non-current	6(31)	-	(1,663,692)
Real estate, plant and equipment acquired	6(31)	(450,907)	(355,280)
Disposal the payment of real estate, plants, and equipment		109	17,144
Acquisition of intangible assets	6(9)	(10,793)	(31,111)
Increase in prepayments for equipment		(15,682)	(53,438)
Cash used in investing activities		(391,027)	(2,199,909)
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term borrowings	6(32)	(2,489,000)	2,839,000
Increase (decrease) in short-term notes and bills payable	6(32)	(515,000)	375,000
Amount of long-term borrowings	6(32)	3,000,000	530,000
Repayments of long-term borrowings	6(32)	(1,250,000)	(480,000)
Increase in guarantee deposits	6(32)	6,366	89,373
Principal elements of lease payments	6(8)(32)	(97,236)	(96,096)
Cash dividends paid	6(18)	(1,849,500)	(1,664,550)
Disposal of equity in subsidiaries (without losing control)	4(3)	-	29,910
Distribution of cash dividends by subsidiary		(66,027)	(27,522)

The accompanying notes are in integral part of these consolidated financial statements.

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2023	2022
Changes of other capital reserves:		51	-
Net cash generated from (used in)			
financing activities		(3,260,346)	1,595,115
Increase (decrease) of cash and cash equivalents –			
current period		(1,467,734)	713,158
Cash and cash equivalents, beginning of period		2,380,096	1,666,938
Cash and cash equivalents, end of period		\$ 912,362	\$ 2,380,096

The accompanying notes are in integral part of these consolidated financial statements.

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
2023 and 2022

Unit: NT\$ thousands
(Except as Otherwise Indicated)

I. History and Organization

1. Ruentex Engineering & Construction Co., Ltd. (hereinafter referred to as “the Company”) was formerly known as the PING HUEI CONSTRUCTION INC. established in November 1975. In April 2006, Ruen-An Mechanical & Electrical Engineering, Co., Ltd. and Ruentex Engineering & Construction Co., Ltd. merged. The Company is the surviving company and in December of the same year, the name was changed to Ruentex Engineering & Construction Co., Ltd.
2. After going through the first capital increase, as of December 31, 2023, the Company’s paid-in capital was NT\$1,849,500 with face value per share at NT\$10. There are a total of 184,950,000 shares and all shares are issued as common stock. Of which, Ruentex Development Co., Ltd. owns 39.14% of the Company’s equity.
3. The main businesses of the Company and subsidiaries (hereinafter referred to as “the Group”) are: (1) Contract of construction and civil engineering, (2) Electrical and mechanical engineering, water supply engineering, and refrigeration and air-conditioning engineering services, (3) Manufacture and sale of beams, columns, floor slabs, exterior walls, and building structural components, (4) Manufacture and sale of clay used for wall primer, powder coating material, tile adhesive, self-leveling cement, and dry-mixed cement mortar applications, (5) Planning, design and consultancy for precast and civil engineering, (6) Distribution and import-export trading business for all preceding materials and equipment, (7) Design and construction of interior decoration and garden greening business.
4. The Company has been listed for trading on the Taipei Stock Exchange (TWSE) since March 26, 2010.

II. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were authorized for issuance by the Company’s board of directors on March 13, 2024.

III. Application of New Standards, Amendments and Interpretations

- (I) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRSs”) as endorsed and issued by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed and issued by FSC effective from 2023 are as follows:

	<u>Effective date published by the International Accounting Standards Board</u>
<u>New and revised standards, amendments to standards and interpretations</u>	
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023
Amendments to IAS 12 - “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023

Amendments to IAS 12, “Deferred taxes arising from OECD Pillar Two model rules” May 23, 2023

The above standards and interpretations have no significant impact to the Group’s financial condition and operating result based on the Group’s assessment.

(II) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRSs”) as endorsed by FSC

New standards, interpretations and amendments endorsed by FSC effective from 2024 are as follows:

	<u>Effective date published by the International Accounting Standards Board</u>
<u>New and revised standards, amendments to standards and interpretations</u>	
Amendments to IFRS 16, “Lease Liability in a Sale and Leaseback”	January 1, 2024
Amendment to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7, “Supplier finance arrangements”	January 1, 2024

The above standards and interpretations have no significant impact to the Group’s financial condition and operating result based on the Group’s assessment.

(III) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

	<u>Effective date published by the International Accounting Standards Board</u>
<u>New and revised standards, amendments to standards and interpretations</u>	
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by the International Accounting Standards Board (IASB)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 - “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
Amendments to IAS No. 21 "Lack of Convertibility"	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and operating result based on the Group’s assessment.

IV. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Compliance statement

The consolidated financial statements have been prepared in accordance with the “Rules Governing the Preparation of Financial Statements by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued by the FSC (collectively referred herein as the “IFRSs”).

(II) Basis of preparation

1. Except the following material items, these consolidated financial statements have been prepared under the historical cost convention:
 - (1) Financial assets at fair value through other comprehensive income.
 - (2) Defined benefit liabilities recognized based on the net amount of pension fund Assets less present value of defined benefit obligation.
2. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of consolidation

1. Basis for preparation of consolidated financial statements
 - (1) The Group has included all subsidiaries in the entities for the preparation of consolidated financial statements. Subsidiaries are all entities (including structural entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (2) Inter-company transactions, balances, and unrealized gains or losses on transactions between companies within the Group are eliminated. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
 - (3) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if these results in the non-controlling interests having a deficit balance.
 - (4) Changes in parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. The Company recognizes directly in equity any difference between the adjusted amount of non-controlling equity and the fair value of the consideration paid or received.
2. Subsidiaries included in the consolidated financial statements:

Name of the investing company	Name of subsidiary	Percentage of shareholding (%)			Description
		Business nature	December 31, 2023	December 31, 2022	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Materials Co., Ltd. (Ruentex Materials)	Building materials business	39.15	39.15	Note 1

”		Ruen Yang Construction Co., Ltd. (Ruen Yang Construction)	Civil Engineering Projects	100	100	
”		Ruentex Interior Design Inc. (Ruentex Interior Design)	Design and construction of interior decoration and garden greening	20.34	20.34	Note 1 & Note 2
Ruentex Materials Ltd.	Co.,	Ruentex Interior Design Inc. (RUENTEX INTERIOR)	Design and construction of interior decoration and garden greening	35.19	35.19	Note 1 & Note 2

Note 1: Though the Company does not own more than 50% of the voting rights directly or indirectly, but meets the requirement of controlling capability, and thus it is included in the consolidated entity.

Note 2: On June 8, 2022, the Board of Directors of Ruentex Materials, a subsidiary of the Company, approved the provision of 500 thousand shares of Ruentex Interior Design on July 19, 2022 for subscription by securities advisors-cum-underwriters. The selling price per share was NT\$60, and the proceeds (less the securities exchange tax) totaled NT\$29,910. Ruentex Materials's shareholding in Ruentex Interior Design dropped from 38.89% to 35.19%. As such, the Company's direct and indirect combined shareholding in Ruentex Interior Design has dropped from 35.57% to 34.12%, which was recognized in capital surplus - the difference between the equity price and the book value of actual acquisition or disposition of subsidiaries is NT\$5,902. Please refer to Note 6(29) for transactions with the non-controlling interests.

3. Subsidiaries not included in the consolidated financial statements: None.
4. Adjustments for subsidiaries with different balance sheet dates: None.
5. Significant restrictions: None.
6. Subsidiaries that have non-controlling interests that are material to the Group:

Name of subsidiary	Principal Place of Business	<u>Non-controlling Interest</u>			
		<u>December 31, 2023</u>		<u>December 31, 2022</u>	
		<u>Amount</u>	<u>Percentage shareholding</u>	<u>Amount</u>	<u>Percentage shareholding</u>
Ruentex Materials	Taiwan	\$ 1,388,092	60.85%	\$ 1,342,650	60.85%

Summary of subsidiaries' financial information:

Balance Sheets

	<u>Ruentex Materials</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current Assets	\$ 2,761,413	\$ 2,912,666
Non-current assets	4,660,209	4,498,819
Current liabilities	(2,258,708)	(3,037,636)
Non-current liabilities	(2,559,465)	(1,873,949)
Total net assets	<u>\$ 2,603,449</u>	<u>\$ 2,499,900</u>

Statements of Comprehensive Income

	<u>Ruentex Materials</u>	
	<u>2023</u>	<u>2022</u>
Income	\$ 5,500,872	\$ 4,249,175
Net profit before tax	254,428	136,321
Income tax expense	(43,474)	(33,333)
Net income of current period	210,954	102,988
Other comprehensive income (Net of tax)	(7,280)	(91,556)
Total comprehensive income for this period	<u>\$ 203,674</u>	<u>\$ 11,432</u>
Total comprehensive income attributed to non-controlling interest	<u>\$ 66,435</u>	<u>(\$ 32,247)</u>
Dividends paid to non-controlling interest	<u>(\$ 20,993)</u>	<u>\$ -</u>

Statements of Cash Flows

	<u>Ruentex Materials</u>	
	<u>2023</u>	<u>2022</u>
Net cash inflow (outflow) from operating activities	\$ 309,176	(\$ 93,211)
Cash used in investing activities	(258,134)	(901,246)
Net cash generated from (used in) financing activities	(403,523)	1,036,601
Increase (decrease) of cash and cash equivalents – current period	(352,481)	42,144
Cash and cash equivalents, beginning of period	652,743	610,599
Cash and cash equivalents, end of period	<u>\$ 300,262</u>	<u>\$ 652,743</u>

(IV) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in "New Taiwan dollars", which is the Group's functional currency.

1. Foreign currency translation and balances

- (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (2) Monetary Assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit

or loss.

(3) Non-monetary Assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary Assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date. Their translation differences are recognized in other comprehensive income. However, non-monetary Assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(4) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

(V) Classification of Current and non-Current items

1. Assets that meet one of the following criteria are classified as Current Assets:

- (1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (2) Assets held mainly for trading purposes;
- (3) Assets that are expected to be realized within 12 months from the balance sheet date;
- (4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than 12 months after the balance sheet date.

Assets that do not meet the above criteria are classified as non-current assets.

2. Liabilities that meet one of the following criteria are classified as Current liabilities:

- (1) Liabilities that are expected to be settled within the normal operating cycle;
- (2) Assets held mainly for trading purposes;
- (3) Liabilities that are to be settled within 12 months from the balance sheet date;
- (4) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Liabilities that do not meet the above criteria are classified as non-current liabilities by the Group.

3. The operating cycles of construction contracts are usually longer than one year, so assets and liabilities in relation to operation and long-term construction contracts are classified as current or non-current according to the length of their operating cycles.

(VI) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(VII) Financial Assets at fair value through other comprehensive income acquired

1. It refers to an irrevocable choice made during the initial recognition, and the fair value change of the equity tool investment not held for trading is listed in the other comprehensive income.
2. On a regular way purchase or sale basis, financial assets at fair value through comprehensive

income are recognized and derecognized using trade date accounting.

3. These financial assets are initially recognized at fair value plus transaction costs and subsequently remeasured and stated at fair value:

The fair value change of equity tool is recognized under the other comprehensive income, and during the derecognition, the cumulative profit or loss previously recognized under the other comprehensive income should not be re-categorized into income, but should be listed under the retained earnings. When the right for dividend receipt is confirmed, the economic benefit related to the dividend may be received as income, and when the dividend amount can be reliably measured, the Group then recognizes it as dividend income.

(VIII) Financial assets at amortised cost

1. Refer to financial Assets satisfying the following criteria at the same time:
 - (1) Financial Assets held under the operating model for the purpose of receiving contractual cash flows.
 - (2) Where contract terms of such financial Assets generated cash flow of specific date, and it is completely for the payment of the interest of principle and external circulating principle amount.
2. On a regular way purchase or sale basis, the Group recognizes or derecognizes financial assets at amortized cost by using trade date accounting.
3. During the initial recognition the Group calculated the transaction cost measurement at fair value, and subsequently adopted the effective interest rate method to recognize the interest income according to the amortization procedure during the circulation period, and to recognize the impairment loss. In addition, during the derecognition, the gain or loss was recognized in the income or loss.
4. The Group holds time deposits that do not meet the definition of cash equivalents. With the short-term nature, the effect of discounting is not significant, so they are measured as investment.

(IX) Notes and accounts receivable

1. Refer to accounts and notes to be received due to transfer of commodities or labors already performed unconditionally in exchange for the right for consideration amount according to the contract terms.
2. Short-term notes and accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(X) Impairment of financial assets

The Group assesses the financial assets at amortized cost at each balance sheet date, and after considering all reasonable and evidentiary information (including prospective information), measure the loss allowance according to the 12-month expected credit loss for the financial assets without significant increase of credit risk after the initial recognition. For the financial assets with credit risk already increased significantly after the initial recognition, loss allowance is measured according to the expected credit loss amount during the existence period. For the accounts receivable or contract assets without material financial composition, the loss allowance is measured according to the expected credit loss during the existence period.

(XI) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

1. The contractual rights to receive the cash flows from the financial asset expire.
2. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
3. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(XII) Inventories

The inventory is measured based on the cost and net realizable value, whichever is lower, and determined using the weighted average approach. The cost of finished goods and work-in-progress includes raw materials, direct labor, other direct costs, and production-related manufacturing expenses (amortized based on normal productivity) but does not include borrowing costs. Comparing the cost and the net realizable value to see which is lower, the item-by-item comparison approach is adopted. The net realizable value refers to the balance of the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(XIII) Property, plant, and equipment

1. Property, plant and equipment are recorded at acquisition cost, and the interest is capitalized over the acquisition and construction period.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
3. Land is not depreciated. Other real estate, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of real estate, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	2~60 years
Machinery and equipment	2~25 years
Transportation equipment	2 years ~ 7 years
Office equipment	2 years ~ 6 years
Leased assets	5 years ~ 6 years
Leasehold improvements	5~10 years
Miscellaneous equipment	2~10 years

(XIV) Lessees' lease transactions - right-of-use assets/lease liabilities

1. The lease assets are recognized as the right-of-use assets and lease liabilities on the date availed to the Group. If the lease contracts are short-term lease or low-value underlying asset lease, the lease payments are recognized as expenses during the lease terms with the straight line method.
2. From the starting date of lease, the lease liabilities are recognized at the current values of the unpaid lease payments discounted with the Group's incremental lending rate; the lease payments include the fixed payments deducting the receivable lease incentives. Subsequently, they are measured at the amortized costs based on the interest method, and recognized as the interest expenses during the lease terms. Shall the lease terms or lease payments change due to the non-contractual modifications, the lease liabilities will be measured again, and the re-measurements will be used to adjust the right-of-use assets.

3. The right-of-use assets are recognized as the costs on the starting date of leases. The costs include the original measured amount of the lease liabilities. Subsequently, they are measured at the costs; the depreciation expenses are recognized at the end of useful lives, or the expiry of the lease terms, whichever is earlier. Shall the lease liabilities be reassessed, the right-of-use assets will adjust any re-measurement of the lease liabilities.

(XV) Intangible Assets

1. Trademark, patent rights and service concession

Trademark, patent rights and service concession are stated as acquisition cost and amortized on a straight line basis with useful lives of 10~20 years.

2. Computer software

Computer software is stated at acquisition cost and amortized on a straight line basis with useful lives of 3~5 years.

3. Mineral rights

Based on expected number of units the mineral resource should produce, depreciation is calculated using the unit of production method. If there is any change to the expected production units, the depreciation per unit is recalculated using the assets' carrying amount, and the depreciation recognized in the prior years is not restated.

4. Intangible assets generated internally - expenses of R&D

(1) R&D expenses are recognized as the expenses of the current term when occur.

(2) The R&D expenses disqualified from the following criteria are recognized as the expenses of the current term; the R&D expenses qualified with the following criteria are recognized as intangible assets:

A. The technical feasibility of being intangible assets has been achieved, so that the intangible asset may be used or sold;

B. Intention to complete the intangible assets for use or sale;

C. Capability to use or sell the intangible assets;

D. The likely perspective economic benefits of the concerned intangible assets may be proved;

E. Sufficient technical, financial, and other resources to complete the developments are in place, to use or sell the intangible assets;

F. The expenses attributed to the intangible assets during the development may be measured reliably.

(3) The intangible assets generated internally - the grouting materials for offshore wind power generation - are amortized on a straight-line basis over their estimated useful lives of 5 years after they have reached the state of use.

5. Goodwill

Goodwill is resulted from the business combination using the acquisition method.

(XVI) Impairment of non-financial Assets

1. The Group assesses at each balance sheet date the recoverable amounts of those Assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should be not more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

2. Periodic estimate of recoverable amounts of goodwill, and intangible assets not available for use shall be estimated regularly. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds the recoverable amount. Impairment loss for goodwill is not reversible.

3. To test for impairment, goodwill must be allocated to each cash-generating units. The allocation is based on operation units, and goodwill is allocated to each cash-generating units or groups of cash-generating units that are expected to be benefited by the business combination.

(XVII) Loans

Refer to long-term, short-term borrowings from banks and other long-term, short-term loans. During the initial recognition, the Group measures according to the fair value with deduction of transaction cost. Subsequently, for any difference between the amount after the deduction of transaction cost and the redemption value, the effective interest method is adopted to recognize the interest expense in the profit or loss according to amortized procedure during the circulation period.

(XVIII) Notes and accounts payable

1. Debt arising from purchase of raw materials, goods or services and notes payable arising from ordinary course of business or non-business related matters.
2. For short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(XIX) Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the contract's obligations are discharged, cancelled, or expired.

(XX) Provisions

Provisions for warranty liability are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. Provisions are not recognized for future operating losses.

(XXI) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

2. Pensions

(1) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(2) Defined benefit plans

- A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in Current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan Assets, together with adjustments for unrecognized past service costs. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- B. Remeasurement arising on defined benefit plans is recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

3. Termination benefits

Termination benefits are benefits paid to employees when their employment has been terminated prior to their ordinary date of retirement or for acceptance of termination of employment. Termination benefits are recognized when the Group can no longer withdraw the offer of the benefit or when the Group recognizes costs for a restructuring, whichever is earlier. Benefits that are not expected to be settled wholly before twelve months after the end of the balance sheet date should be discounted.

4. Remuneration to employee

Employees' compensation are recognized as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(XXII) Income tax

1. The income tax expense for the period comprises Current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. The management assesses the status of income tax declaration according to relevant applicable income tax laws, and shall pay the income tax liability estimated to the taxation agency according to the expectation under applicable status. Additional income tax is levied on undistributed earnings in accordance with the Income Tax Act. Surtax expenses on undistributed retained earnings are recognized when the actual distribution of earnings is approved by the shareholders' meeting in the year following the year in which the earnings are generated.
3. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their

carrying amounts in the consolidated balance sheet. The deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not generate equivalent taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates or laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4. Deferred income tax Assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax Assets are reassessed.
5. Current income tax Assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax Assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset Current tax Assets against Current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
6. Tax credits resulting from research and development expenditures are treated with accounting for income tax credits.

(XXIII) Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(XXIV) Dividends

Dividends distributed to the Company's shareholders are recognized in the financial statements when the distribution is resolved at the shareholders' meeting. Cash dividends are recognized as a liability, while stock dividends are recognized as stock dividends to be distributed and transferred to common stock on the record date for issuing the new shares.

(XXV) Income

1. Revenues from product Sales

- (1) For the cement and building material related products manufactured and sold by the Group, the income from sale of goods is recognized when the control of goods is transferred to customers, i.e. when the goods are delivered to the customer. In addition, the Group has no unfulfilled obligations that may affect the customer from accepting the goods. When goods are transported to the designated location, the obsolete and impairment risks have been transferred to the customer, and customer also accepts goods according to the sales contract, or when there is objective evidence proofing that all acceptable standards have been satisfied, which occurs when the goods is delivered to the customer.
- (2) Accounts receivable is recognized when goods are delivered to customers since starting from such time of delivery, the Group has the unconditional right on the contract price, and the Group can receive the consideration from the customer after time has passed.
- (3) Financial component
Since the period from the time when contracts are signed between the Group and customers, the goods or services are promised to be transferred to customers to the time when the payments are made by customers have not exceeded one year, consequently, the Group has not adjusted the transaction price to reflect the currency time value.

2. Revenue from construction contracts

- (1) The Group sub-contracts construction projects. As the performance of construction contracts creates or enhances one asset, and the concerned asset becomes under control of the client or does not create an asset with an alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date, the Group recognizes revenue over time as it satisfies the performance obligation.

- (2) The Group's recognition of construction contract revenue is based on the stage of completion of a contract using the percentage of completion method of accounting during the duration of a contraction. The contract costs are recognized as expenses in the incurred period. The stage of completion is determined by reference to the contract costs incurred to date and the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs. If the total contract costs are probable to exceed total contract revenue, the estimated loss is recognized as expenses immediately. When the results of the construction contracts may not be able to be used to reasonably measure the results of the performance obligations, but the Group expects to recover the incurred costs when the performance obligations are fulfilled, the Group will only recognize the contracts in revenue within the scope of the incurred costs before the results of the performance obligations can be measured.
- (3) The Group's estimations for revenue, costs, and stage of completion are adjusted accordingly. Any variation of estimated revenue or costs arising from change of estimations is reflected in profit or loss in the period when the condition for change of estimation is made known to the management.
- (4) The variable consideration arising from performance bonuses, penalties or claims that could result in variation of total contract price is only included in the transaction price if, and to the extent that, it is highly probable that its inclusion will not result in a significant revenue reversal in the future.
- (5) Retention money mandated in the construction contract should be paid after acceptance of construction by the customers. The retention money receivable is a form of protection for its customers in the event that the counter-party does not perform parts or all obligations properly, and thus does not contain any significant financing component.
- (6) The excess of receivables from customers on construction contracts, that is, the cumulative costs incurred plus recognized profits (less recognized losses) over the progress billings on each construction contract is presented as a contract asset. While the excess of the progress billings over the cumulative costs incurred plus, recognized profits (less recognized losses) on each construction contract is presented as a contract liability.

(XXVI) Government grants

Government grants are recognized at fair value when there is reasonable assurance that an enterprise will comply with the conditions attached to the government grants and will receive the grant. If the nature of the government grants is to compensate the expenses incurred by the Group, such grants shall be recognized as the current profit or loss on a systematic basis during the period in which such expenses are incurred (listed as a deduction of R&D expenses).

(XXVII) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker is responsible for allocating resources and assessing performance of the operating segments.

V. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. There may be differences between the significant accounting estimations and assumptions made and the actual outcomes. Assessments and adjustments will be made constantly taking into account historical experiences and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of Assets and liabilities within the next financial year. The critical accounting judgments, estimates and key sources of assumption uncertainty is addressed as follows:

(1) Critical judgments in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

1. Financial assets - fair value measurement for unlisted securities with no active market.

For the stocks of non-TWSE/TPEX companies in the active market held by the Group, the measurement at fair value is estimated mainly based on the assessment of companies of similar type, company's technology development status, market condition and other economic indicators. Any change of determination and estimation can affect the measurement at fair value. For explanation of financial tool at fair value, please refer to Note 12(3).

On December 31, 2023, the carrying amount of the Group's investments in securities of other unlisted companies with no active market was NT\$81,121 (listed under "financial assets at fair value through other comprehensive income - non-current").

2. Revenue recognition

Construction contract revenue should be recognized by reference to the stage of completion in the contract period using the percentage of completion method. Contract costs are recognized in the incurred period. The stage of completion is determined by reference to the contract costs incurred to date and the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and revolving funds	\$ 3,800	\$ 4,300
Checking deposits	258,536	371,507
Demand deposits	177,373	88,426
Time deposits	50,585	75,139
Cash equivalents - Bonds under repurchase agreements	<u>422,068</u>	<u>1,840,724</u>
	<u>\$ 912,362</u>	<u>\$ 2,380,096</u>

1. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

2. The Group's restricted cash and cash equivalents on December 31, 2023 and 2022 due to business contracts, engineering contract guarantee deposits, warranties, and so on guarantees were NT\$618,050 and NT\$592,145, respectively, of which NT\$526,194 and NT\$500,326 were classified as other financial assets, current (recognized in "other current assets") and NT\$91,856 and NT\$91,819 were classified as other financial assets, non-current (recognized in "other non-current assets"). Please refer to Note 8 for details.

(II) Notes and accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	\$ 1,003,702	\$ 575,894
Notes Receivable – related party	<u>55,557</u>	<u>51</u>
	<u>\$ 1,059,259</u>	<u>\$ 575,945</u>
Accounts receivable	\$ 2,376,098	\$ 1,705,296
Less: Allowance for loss	<u>(7,450)</u>	<u>(3,762)</u>
Subtotal	<u>2,368,648</u>	<u>1,701,534</u>
Accounts receivable - related party	<u>749,036</u>	<u>74,504</u>
	<u>\$ 3,117,684</u>	<u>\$ 1,776,038</u>

1. Ruentex Materials issues the invoice and bill of lading when taking the customer's order, debts accounts receivable and credits advance sales receipt (the "contract liability-current" account). When it receives notes issued by the customer, the amount is then transferred to notes receivable from accounts receivable. Based on demand quantity, the customer pick up the cement in batches, and the actual sales amount is then transferred from advance sales receipt to revenue. To prevent inflated assets and liabilities, the notes and accounts receivable and advance sales receipt related to undelivered cement are offset with each other and presented in the net values. As of December 31, 2023 and 2022, the amounts were NT\$112,165 and NT\$123,081.
2. The aging analysis of accounts receivable (including related parties) and notes receivable (including related parties) is as follows:

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not overdue	\$ 2,541,584	\$ 1,059,259	\$ 1,773,088	\$ 575,945
Within 30 days	89,253	-	1,519	-
31-60 days	69,524	-	2,422	-
61-90 days	123,960	-	73	-
91 days and more	<u>300,813</u>	<u>-</u>	<u>2,698</u>	<u>-</u>
	<u>\$ 3,125,134</u>	<u>\$ 1,059,259</u>	<u>\$ 1,779,800</u>	<u>\$ 575,945</u>

The aging analysis was based on past due date.

3. The balances of the receivables and notes receivable as of December 31, 2023 and 2022 were incurred by the clients' contracts; also as of January 1, 2022, the balances of the notes receivable (including related parties) and accounts receivables (including related parties) were NT\$1,182,683 and NT\$1,428,139 respectively.

4. The Group's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, were NT\$1,059,259 and NT\$575,945 for notes receivable (including related parties), as of December 31, 2023 and 2022, respectively; the accounts receivable (including related parties) were NT\$3,117,684 and NT\$1,776,038 as of December 31, 2023 and 2022, respectively.
5. For credit risk information related to accounts receivable and notes receivable, please refer to Note 12(2).
6. For a description of the collateral for the collateral for accounts receivable held by the Group and other credit enhancements, please refer to Note 12(2).

(III) Inventories

	<u>December 31, 2023</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Carrying amount</u>
Materials and supplies	\$ 491,056	(\$ 2,843)	\$ 488,213
Work in process	164,837	-	164,837
Finished goods	94,139	(195)	93,944
Merchandise inventory	7,325	-	7,325
	<u>\$ 757,357</u>	<u>(\$ 3,038)</u>	<u>\$ 754,319</u>

	<u>December 31, 2022</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Carrying amount</u>
Materials and supplies	\$ 475,700	(\$ 1,700)	\$ 474,000
Work in process	134,796	-	134,796
Finished goods	110,761	(275)	110,486
Merchandise inventory	326	-	326
	<u>\$ 721,583</u>	<u>(\$ 1,975)</u>	<u>\$ 719,608</u>

Inventory and construction costs recognized as expenses in the current period.

	<u>2023</u>	<u>2022</u>
Cost of inventories sold and construction costs	\$ 19,048,675	\$ 21,208,554
Inventory loss from price reduction (gain from price recovery)	1,063	(5,024)
Unallocated manufacturing costs	6,840	6,840
Revenue from sales of scraps	(24,839)	(21,862)
	<u>\$ 19,031,739</u>	<u>\$ 21,188,508</u>

The inventories recognized as allowance of loss were sold and market prices recovered during 2022, and the inventories generated gains from price recovery.

(IV) Prepayments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Prepayment for purchases	\$ 346,011	\$ 322,791
Prepaid rent	9,425	15,464
Overpaid sales tax	1,499	44,948
Other prepayments	27,564	20,905
	<u>\$ 384,499</u>	<u>\$ 404,108</u>

(V) Financial assets at fair value through other comprehensive income acquired - non-Current

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Equity Instrument		
Shares of TWSE listed companies	\$ 2,881,529	\$ 2,892,322
Shares of the TPEX listed companies	80,279	80,279
Shares of non-TWSE/TPEX listed companies	286,324	286,324
	<u>3,248,132</u>	<u>3,258,925</u>
Adjustments for valuation		
- Shares of TWSE listed companies	1,345,711	1,477,048
- Shares of the TPEX listed companies	(54,041)	(54,153)
- Shares of non-TWSE/TPEX listed companies	(205,203)	(207,509)
	<u>1,086,467</u>	<u>1,215,386</u>
	<u>\$ 4,334,599</u>	<u>\$ 4,474,311</u>

1. The Group elected to classify the TWSE listed securities for stable dividends as financial assets at fair value through other comprehensive income; such investments amounted to NT\$4,227,240 and NT\$4,369,370, as of December 31, 2023 and 2022, respectively.
2. The Group elected to classify the strategic investments of listed and unlisted shares as financial assets at fair value through other comprehensive income, amounting to NT\$107,359 and NT\$104,941 as of December 31, 2023 and 2022, respectively.
3. The listed company-Ruentex Development Co., Ltd.'s shareholders meeting passed the resolution to conduct a capital reduction in cash. The record date for capital reduction was August 15, 2023, and the capital reduction stock payments of \$10,793 were collected on October 2, 2023.
4. In the third quarter of 2022 and the first quarter of 2022, the Group purchased 3,160 thousand shares and 1,380 thousand shares of the TWSE-listed company, Ruentex Industries Ltd., from the open market, in the amounts of NT\$199,654 and NT\$136,753, respectively.
5. TPEX-listed company, OBI Pharma, Inc., had increased its capital in cash in March 2022, and the Group subscribed for 38,357 shares in the amount of NT\$4,027.
6. TWSE-listed company, Ruentex Industries Ltd., had increased its capital in cash in September

2022, and the Group subscribed for 26,348 shares in the amount of NT\$1,317,401.

7. The maximum exposure to credit risk for the Group's financial assets at fair value through other comprehensive income, before consideration of associated collateral held and other credit enhancements, was NT\$4,334,599 and NT\$4,474,311 as of December 31, 2023 and 2022, respectively.
8. Detail of the financial Assets at fair value through other comprehensive income recognized under the comprehensive income is as follows:

<u>Item</u>	<u>2023</u>	<u>2022</u>
Changes in fair value recognized as other comprehensive income	(\$ <u>128,919</u>)	(\$ <u>607,875</u>)
Dividend incomes recognized in profit and loss	\$ <u>122,213</u>	\$ <u>184,983</u>

9. For information on the credit risk of financial assets at fair value through other comprehensive income, please refer to Note 12(2).

(VI) Financial assets at amortised cost

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Demand deposit with original maturity date for more than three months		
Time deposits	\$ <u>-</u>	\$ <u>75,000</u>
Non-current items:		
Subordinated corporate bonds	\$ <u>500,000</u>	\$ <u>500,000</u>

1. Detail of the financial Assets at amortized cost recognized under the profit (loss) is as follows:

	<u>2023</u>	<u>2022</u>
Interest revenue	\$ <u>18,069</u>	\$ <u>17,875</u>

2. The Group's maximum exposure to credit risk for financial assets measured at amortized costs, before consideration of associated collateral held and other credit enhancements was NT\$500,000 and NT\$575,000 as of December 31, 2023 and 2022, respectively.
3. The trading counterparties of the Group's certificates of deposit are financial institutions with great credit ratings, so the likelihood of default is estimated to be very low.
4. For information on the credit risk of financial assets at amortized cost, please refer to Note 12(2).

(VII) Property, plant, and equipment

	<u>2023</u>									
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Leased assets	Leasehold improvements	Miscellaneous equipment	Unfinished construction and equipment pending for inspection	Total
January 1										
Cost	\$ 1,535,961	\$ 1,674,941	\$ 2,389,374	\$ 37,540	\$ 99,157	\$ 4,944	\$ 41,583	\$ 202,086	\$ 39,239	\$ 6,024,825
Accumulated depreciation		-(642,993)	(1,290,563)	(28,804)	(68,669)	(4,944)	(12,572)	(108,443)	-	(2,156,988)
Accumulated impairment		-(10,331)	(55,441)	-	-	-	-	(379)	-	(66,151)
	<u>\$ 1,535,961</u>	<u>\$ 1,021,617</u>	<u>\$ 1,043,370</u>	<u>\$ 8,736</u>	<u>\$ 30,488</u>	<u>\$ -</u>	<u>\$ 29,011</u>	<u>\$ 93,264</u>	<u>\$ 39,239</u>	<u>\$ 3,801,686</u>
January 1	\$ 1,535,961	\$ 1,021,617	\$ 1,043,370	\$ 8,736	\$ 30,488	\$ -	\$ 29,011	\$ 93,264	\$ 39,239	\$ 3,801,686
Addition	-	4,466	117,052	6,283	19,989	-	19,929	60,886	203,430	432,035
Transfer (Note)	-	7,330	80,217	-	-	-	8,933	(9,110)	(32,949)	54,421
Costs of disposal of assets	-	-	(49,505)	(2,090)	(5,864)	-	-	(808)	-	(58,267)
Accumulated depreciation balance on disposal date	-	-	49,505	2,090	5,798	-	-	808	-	58,201
Depreciation expense		-(53,495)	(194,919)	(2,966)	(14,571)	-	(3,784)	(38,826)	-	(308,561)
December 31	<u>\$ 1,535,961</u>	<u>\$ 979,918</u>	<u>\$ 1,045,720</u>	<u>\$ 12,053</u>	<u>\$ 35,840</u>	<u>\$ -</u>	<u>\$ 54,089</u>	<u>\$ 106,214</u>	<u>\$ 209,720</u>	<u>\$ 3,979,515</u>

December 31										
Cost	\$ 1,535,961	\$ 1,686,737	\$ 2,537,138	\$ 41,733	\$ 113,282	\$ 4,944	\$ 70,445	\$ 253,054	\$ 209,720	\$ 6,453,014
Accumulated depreciation	-(696,488)	(1,435,977)	(29,680)	(77,442)	(4,944)	(16,356)	(146,461)	-	(2,407,348)	
Accumulated impairment	-(10,331)	(55,441)	-	-	-	-	(379)	-	(66,151)	
	<u>\$ 1,535,961</u>	<u>\$ 979,918</u>	<u>\$ 1,045,720</u>	<u>\$ 12,053</u>	<u>\$ 35,840</u>	<u>\$ -</u>	<u>\$ 54,089</u>	<u>\$ 106,214</u>	<u>\$ 209,720</u>	<u>\$ 3,979,515</u>

Note: The balance of the transfer amount is the transfer from prepayments for business facilities.

	<u>2022</u>									
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Leased assets	Leasehold improvements	Miscellaneous equipment	Unfinished construction and equipment pending for inspection	Total
January 1										
Cost	\$ 1,540,736	\$ 1,610,377	\$ 2,218,051	\$ 39,084	\$ 92,267	\$ 4,944	\$ 13,760	\$ 159,031	\$ 54,104	\$ 5,732,354
Accumulated depreciation	-	(592,113)	(1,206,642)	(27,391)	(58,022)	(4,944)	(11,288)	(71,638)	-	(1,972,038)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	-	(379)	-	(66,151)
	<u>\$ 1,540,736</u>	<u>\$ 1,007,933</u>	<u>\$ 955,968</u>	<u>\$ 11,693</u>	<u>\$ 34,245</u>	<u>\$ -</u>	<u>\$ 2,472</u>	<u>\$ 87,014</u>	<u>\$ 54,104</u>	<u>\$ 3,694,165</u>
January 1	\$ 1,540,736	\$ 1,007,933	\$ 955,968	\$ 11,693	\$ 34,245	\$ -	\$ 2,472	\$ 87,014	\$ 54,104	\$ 3,694,165
Addition	-	1,680	69,252	-	9,714	-	20,437	32,736	217,034	350,853
Transfer (Note)	-	65,480	177,471	-	-	-	7,386	10,661	(231,944)	29,054
Costs of disposal	(4,775)	(2,596)	(75,400)	(1,544)	(2,824)	-	-	(342)	-	(87,481)

of assets										
Accumulated depreciation balance on disposal date	-	797	75,338	1,544	2,791	-	-	342	-	80,812
Capitalization of interest	-	-	-	-	-	-	-	-	45	45
Depreciation expense	=	(51,677)	(159,259)	(2,957)	(13,438)	=	(1,284)	(37,147)	=	(265,762)
December 31	<u>\$ 1,535,961</u>	<u>\$ 1,021,617</u>	<u>\$ 1,043,370</u>	<u>\$ 8,736</u>	<u>\$ 30,488</u>	<u>\$ -</u>	<u>\$ 29,011</u>	<u>\$ 93,264</u>	<u>\$ 39,239</u>	<u>\$ 3,801,686</u>
December 31										
Cost	\$ 1,535,961	\$ 1,674,941	\$ 2,389,374	\$ 37,540	\$ 99,157	\$ 4,944	\$ 41,583	\$ 202,086	\$ 39,239	\$ 6,024,825
Accumulated depreciation	-	(642,993)	(1,290,563)	(28,804)	(68,669)	(4,944)	(12,572)	(108,443)	-	(2,156,988)
Accumulated impairment	=	(10,331)	(55,441)	=	=	=	=	(379)	=	(66,151)
	<u>\$ 1,535,961</u>	<u>\$ 1,021,617</u>	<u>\$ 1,043,370</u>	<u>\$ 8,736</u>	<u>\$ 30,488</u>	<u>\$ -</u>	<u>\$ 29,011</u>	<u>\$ 93,264</u>	<u>\$ 39,239</u>	<u>\$ 3,801,686</u>

Note: The balance of the transfer amount is the transfer from prepayments for business facilities.

1. Details of the property, plant and equipment pledged to others as collateral are provided in Note 8.
2. Due to legal restrictions, part of the land of the Group is held in the name of another person and a mortgage is created to the Group. Please refer to Note 7 for details.
3. Capitalized amount of borrowing costs for property, plant and equipment and interest rate range:

	<u>2023</u>		<u>2022</u>
Amount of capitalization	<u>\$</u>	-	<u>\$</u> 45
Interest rate collars of capitalization	-		0.87%~1.11%

(VIII) Lease transactions - lessees

1. The underlying assets of the Group to be leased include land used for industry, land used for mining, offices, employee dormitories, warehouses, parking, and company vehicles in the form of operating lease, and the lease period is from 2021 to 2040. The lease contracts are negotiated individually, with different terms and conditions. The leased assets are neither to be used as collaterals for loans, nor the rights to be transferred to others in the form of business transfer or merge, among other forms.
2. The lease period for the offices, employee dormitories, warehouse and exhibition center leased by the Group is less than 12 months.
3. The information of the right-of-use assets are as the following:

	<u>Land</u>	<u>Buildings</u>	<u>2023</u> <u>Transportation</u> <u>equipment</u>	<u>Total</u>
January 1				
Cost	\$ 901,940	\$ 207,238	\$ 6,051	\$ 1,115,229
Accumulated depreciation	(62,749)	(68,962)	(5,043)	(136,754)
	<u>\$ 839,191</u>	<u>\$ 138,276</u>	<u>\$ 1,008</u>	<u>\$ 978,475</u>
January 1	\$ 839,191	\$ 138,276	\$ 1,008	\$ 978,475
Addition-Newly added lease contracts	13,212	2,795	5,458	21,465
Lease contract modifications - costs	62,435	-	-	62,435
Cost of derecognition	(45,329)	-	(6,051)	(51,380)
Accumulated depreciation, derecognized	45,329	-	6,051	51,380
Depreciation expense	(58,991)	(42,256)	(1,902)	(103,149)
December 31	<u>\$ 855,847</u>	<u>\$ 98,815</u>	<u>\$ 4,564</u>	<u>\$ 959,226</u>

December 31

Cost	\$ 932,258	\$ 210,033	\$ 5,458	\$ 1,147,749
Accumulated depreciation	<u>(76,411)</u>	<u>(111,218)</u>	<u>(894)</u>	<u>(188,523)</u>
	<u>\$ 855,847</u>	<u>\$ 98,815</u>	<u>\$ 4,564</u>	<u>\$ 959,226</u>

	<u>2022</u>			
	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1				
Cost	\$ 119,650	\$ 278,208	\$ 5,903	\$ 403,761
Accumulated depreciation	<u>(93,769)</u>	<u>(51,648)</u>	<u>(2,976)</u>	<u>(148,393)</u>
	<u>\$ 25,881</u>	<u>\$ 226,560</u>	<u>\$ 2,927</u>	<u>\$ 255,368</u>
January 1	\$ 25,881	\$ 226,560	\$ 2,927	\$ 255,368
Addition-Newly added lease contracts	860,474	780	-	861,254
Lease contract modifications - costs	-	(71,263)	148	(71,115)
Lease contract modifications - accumulated depreciation	-	32,662	-	32,662
Cost of derecognition	(78,184)	(487)	-	(78,671)
Accumulated depreciation, derecognized	78,184	487	-	78,671
Depreciation expense	<u>(47,164)</u>	<u>(50,463)</u>	<u>(2,067)</u>	<u>(99,694)</u>
December 31	<u>\$ 839,191</u>	<u>\$ 138,276</u>	<u>\$ 1,008</u>	<u>\$ 978,475</u>
December 31				
Cost	\$ 901,940	\$ 207,238	\$ 6,051	\$ 1,115,229
Accumulated depreciation	<u>(62,749)</u>	<u>(68,962)</u>	<u>(5,043)</u>	<u>(136,754)</u>
	<u>\$ 839,191</u>	<u>\$ 138,276</u>	<u>\$ 1,008</u>	<u>\$ 978,475</u>

4. Lease liabilities related to lease contracts are as the following:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total amount of lease liabilities	\$ 972,354	\$ 985,690
Less: Due within one year (listed as lease liabilities - current)	<u>(102,929)</u>	<u>(95,551)</u>
	<u>\$ 869,425</u>	<u>\$ 890,139</u>

5. Information of income items related to lease contracts are as the following:

	<u>2023</u>	<u>2022</u>
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	\$ 15,001	\$ 7,527
Rent expenses of short-term lease contracts	<u>120,607</u>	<u>139,336</u>
	<u>\$ 135,608</u>	<u>\$ 146,863</u>
Gains on lease modifications	<u>\$ -</u>	<u>\$ 175</u>

6. In July 2023, the Company adjusted the right-of-use assets - land and lease liabilities of \$62,435 according to the consumer price index.
7. The Group's total lease cash outflows were NT\$232,844 and NT\$242,959 in 2023 and 2022, respectively, which consisted of NT\$120,607 and NT\$139,336 for short-term lease contracts; NT\$15,001 and NT\$7,527 for interest expenses on lease liabilities; and NT\$97,236 and NT\$96,096 for lease principal repayments.
8. On March 31, 2022, the Group agreed to terminate the lease contract on the Taipei Port cement powder inventory, storage, and transfer system with Taipei Port Terminal Company Limited. Therefore, the Group reduced the cost of right-of-use assets by NT\$71,263, accumulated depreciation by NT\$32,662, and lease liabilities by NT\$38,776, and recognized gains on lease modifications of NT\$175.
9. Yilan Luodong Business Area No. 70, 71, 73-75, 80, 82-85, and Nan'ao Business Area No. 27 and 28 were leased by the Group for mineral field use. As said leases expired on June 18, 2020, the Group has applied to the competent authorities for the renewal of the leases. The application for renewal of the lease of the mining land for auxiliary facilities was completed in January 2023, and the lease term will end on June 18, 2024.
10. The Group rented lands from related parties. Please refer to Note 7(2)6. for related explanations.

(IX) Intangible Assets

	<u>2023</u>					
	Mineral source	Trademark, patent rights and service concession	Computer software	Good will	Others	Total
January 1						
Cost	\$ 234,798	\$ 55,670	\$ 77,618	\$ 2,553	\$ 88,773	\$ 459,412
Accumulated amortization	(60,416)	(28,184)	(69,028)	-	(20,518)	(178,146)
Accumulated impairment	(61,972)	-	-	-	(11,240)	(73,212)
	<u>\$ 112,410</u>	<u>\$ 27,486</u>	<u>\$ 8,590</u>	<u>\$ 2,553</u>	<u>\$ 57,015</u>	<u>\$ 208,054</u>
January 1	\$ 112,410	\$ 27,486	\$ 8,590	\$ 2,553	\$ 57,015	\$ 208,054
Addition	-	4,813	699	-	5,281	10,793

Cost of derecognition	-	-	(1,129)	-	-	-(1,129)
Balance of accumulated amortization on the derecognition date	-	-	1,129	-	-	1,129
Amortization	<u>-</u>	<u>(2,368)</u>	<u>(3,551)</u>	<u>-</u>	<u>(6,840)</u>	<u>(12,759)</u>
December 31	<u>\$ 112,410</u>	<u>\$ 29,931</u>	<u>\$ 5,738</u>	<u>\$ 2,553</u>	<u>\$ 55,456</u>	<u>\$ 206,088</u>
December 31						
Cost	\$ 234,798	\$ 60,483	\$ 77,188	\$ 2,553	\$ 94,054	\$ 469,076
Accumulated amortization	(60,416)	(30,552)	(71,450)	-	(27,358)	(189,776)
Accumulated impairment	<u>(61,972)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,240)</u>	<u>(73,212)</u>
	<u>\$ 112,410</u>	<u>\$ 29,931</u>	<u>\$ 5,738</u>	<u>\$ 2,553</u>	<u>\$ 55,456</u>	<u>\$ 206,088</u>

2022

	<u>Mineral source</u>	<u>Trademarks and patents and concessions</u>	<u>Computer software</u>	<u>Good will</u>	<u>Others</u>	<u>Total</u>
January 1						
Cost	\$ 234,798	\$ 51,076	\$ 73,222	\$ 2,553	\$ 66,652	\$ 428,301
Accumulated amortization	(60,416)	(25,551)	(66,355)	-	(13,679)	(166,001)
Accumulated impairment	<u>(61,972)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,240)</u>	<u>(73,212)</u>
	<u>\$ 112,410</u>	<u>\$ 25,525</u>	<u>\$ 6,867</u>	<u>\$ 2,553</u>	<u>\$ 41,733</u>	<u>\$ 189,088</u>
January 1	\$ 112,410	\$ 25,525	\$ 6,867	\$ 2,553	\$ 41,733	\$ 189,088
Addition	-	4,594	4,396	-	22,121	31,111
Amortization	<u>-</u>	<u>(2,633)</u>	<u>(2,673)</u>	<u>-</u>	<u>(6,839)</u>	<u>(12,145)</u>
December 31	<u>\$ 112,410</u>	<u>\$ 27,486</u>	<u>\$ 8,590</u>	<u>\$ 2,553</u>	<u>\$ 57,015</u>	<u>\$ 208,054</u>
December 31						
Cost	\$ 234,798	\$ 55,670	\$ 77,618	\$ 2,553	\$ 88,773	\$ 459,412
Accumulated amortization	(60,416)	(28,184)	(69,028)	-	(20,518)	(178,146)
Accumulated impairment	<u>(61,972)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,240)</u>	<u>(73,212)</u>
	<u>\$ 112,410</u>	<u>\$ 27,486</u>	<u>\$ 8,590</u>	<u>\$ 2,553</u>	<u>\$ 57,015</u>	<u>\$ 208,054</u>

1. Details of amortization of intangible assets are as follows:

	<u>2023</u>		<u>2022</u>
Operation cost	\$ 8,124	\$	7,494
Operating Expenses	<u>4,635</u>	<u>4,651</u>	
	<u>\$ 12,759</u>	<u>\$</u>	<u>12,145</u>

2. The Subsidiary owns the mine operation rights at Yilan Lankan Mine (Tai-Ji-Cai-Zi No. 5569 Mine Operation Right) and Hualien Huahsin Mine (Tai-Ji-Cai-Zi No. 5345 Marble Mine Operation Right) which will expire on June 18, 2032 and July 1, 2025, respectively. At present, the limestone quarrying in the original mining area has nearly been exhausted and an application has been made to the Bureau of Mines, Ministry of Economic Affairs, in accordance with Article 43 of the Mining Act for an extension of the mining area within the original mine operation rights (Expansion).

On September 15, 2020, the above-mentioned application for the Yilan Lankan Mine Expansion received the Administrative Disposition Jin Shou Wu Zi No. 10920107100 from the Ministry of Economic Affairs, which stated, “Because the public land authority (i.e. the Luodong District Office of the Forestry Bureau of the Council of Agriculture, Executive Yuan) has indicated that the approval of mineral land is denied because it does not meet the requirements of No. 13 of the Regulations for Conservation Forest Managements; therefore, the application is rejected in accordance with Article 43 of the Mining Act.” The Subsidiary filed a petition in accordance with the law on October 6, 2020 due to dissatisfaction with the administrative sanction imposed by the authority; however, the petition was rejected by the Executive Yuan, referencing Yuan-Tai-Su-Zi No. 1100178798 dated July 8, 2021. The material changes from the adverse impact on the Company’s assets due to administrative authorities’ fact determination and application of laws had led to signs of impairment of the Company’s assets in accordance with the IAS 36. The property, plants, and equipment of NT\$66,151 and intangible assets of NT\$73,212 related to the Yilan Lankan Mine, totaling NT\$139,363, were recognized in impairment losses in June 2021.

However, to ensure the equity and efficiency of the Company's assets, if the mining land for mining sources legally held can be expanded and continued to be mined, it will make a reasonable contribution to the Company's future profits. The High Administrative Court filed an administrative lawsuit, but the administrative lawsuit was dismissed on February 29, 2024 by the Taipei High Administrative Court judgment No. 2021 Su-Zi No. 1062. The subsidiary will file an appeal within the statutory time limit. As of March 13, 2024, and the appeal is in process .

The mining and transportation method for the Hualien Huahsin Mine expansion application was to borrow another entity's road. However, because the consent to pass through the adjacent mines was not obtained, the Subsidiary took the initiative to withdraw the application and will file another application after re-planning. As of the March 13, 2024, the relevant planning is still in progress and the application procedure has not yet been completed.

3. The Group did not pledge intangible assets to others as collateral.

(X) Short-term borrowings

<u>Nature of loan</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bank loan		
Credit Loan	<u>\$ 750,000</u>	<u>\$ 3,239,000</u>
Interest rate collars	1.78%~1.83%	1.60%~2.01%

In addition to the collateral provided for the short-term borrowings as described in Note 8, the Group also issued the guarantee notes of the amount as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guarantee notes	<u>\$ 7,510,000</u>	<u>\$ 4,330,000</u>

(XI) Short-term bills payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commercial papers payable	\$ 370,000	\$ 885,000
Less: Unamortized discount	<u>(68)</u>	<u>(658)</u>
	<u>\$ 369,932</u>	<u>\$ 884,342</u>
Interest rate collars	1.32%~1.61%	1.00%~2.11%

The guaranteed bills for the short-term notes and bills quota issued by the Group are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guarantee notes	<u>\$ 1,350,000</u>	<u>\$ 1,330,000</u>

(XII) Other payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Salary and wages payable	\$ 656,898	\$ 642,649
Business tax payable	67,622	3,336
Electricity bill payable	30,230	26,319
Commodity tax payable	16,854	13,050
Payables on equipment	13,065	31,937
Other charges payable	78,400	66,910
	<u>\$ 863,069</u>	<u>\$ 784,201</u>

(XIII) Long-term borrowings

<u>Nature of loan</u>	<u>Loan period and borrowing method</u>	<u>Interest rate collars</u>	<u>Guarantee</u>	<u>December 31, 2023</u>
Long-term bank loan				
Secured loan	From September 1, 2023 to August 31, 2025, monthly payment of interest, re-payment on maturity.	1.75%	Note	\$ 1,600,000
Credit Loan	From February 22, 2023 to July 24, 2026, with interest paid monthly, repayable in accordance with the contractual period	1.78%~2.02%	Note	<u>2,700,000</u>
				4,300,000
Less: Long-term borrowings due within one year or one operating cycle				(<u>75,000</u>)
				<u>\$ 4,225,000</u>

<u>Nature of loan</u>	<u>Loan period and borrowing method</u>	<u>Interest rate collars</u>	<u>Guarantee</u>	<u>December 31, 2022</u>
Long-term bank loan				
Secured loan	From September 1, 2022 to August 31, 2024, monthly payment of interest, re-payment on maturity.	1.73%	Note	\$ 1,500,000
Credit Loan	From September 13, 2021 to June 23, 2024, monthly payment of interest, re-payment on maturity.	1.64%~2.18%	Note	<u>1,050,000</u>
				2,550,000
Less: Long-term borrowings due within one year or one operating cycle				(<u>750,000</u>)

\$ 1,800,000

Note: In addition to the collateral provided for the long-term borrowings as described in Note 8, the Group also issued the guarantee notes of the amount as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guarantee notes	<u>\$ 6,444,480</u>	<u>\$ 4,833,000</u>

Details of the loan credit not yet drawn down by the Group are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Due within one year	\$ 5,395,338	\$ 1,121,829
Due longer than one year	<u>1,167,185</u>	<u>1,162,391</u>
	<u>\$ 6,562,523</u>	<u>\$ 2,284,220</u>

(XIV) Other non-Current liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accrued pension liabilities	\$ 95,459	\$ 107,278
Warranty provision	142,770	139,667
Guarantee deposits received	26,007	107,915
Advance rent receipts of more than one year	<u>11,302</u>	<u>12,266</u>
	<u>\$ 275,538</u>	<u>\$ 367,126</u>

(XV) Pensions

1.(1) The Group has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Group contributes an amount equal to 2% of the employees' monthly salaries and wages each month to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. In addition, the Group assesses the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, the Group will make contributions to employees expected to be qualified for retirement next year to cover the deficit by next March.

(2) The amounts recognized in the balance sheet are determined as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligation	(\$ 219,704)	(\$ 232,892)
Fair value of plan assets	<u>124,245</u>	<u>125,614</u>
Defined benefit liability (listed as "non-current liabilities")	<u>(\$ 95,459)</u>	<u>(\$ 107,278)</u>

(3) Movements in net defined benefit liabilities are as follows:

	<u>2023</u>		
	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Defined benefit liability</u>
Balance, January 1	(\$ 232,892)	\$ 125,614	(\$ 107,278)
Current service cost	(667)		(667)
Interest (expense) revenue	<u>(2,628)</u>	<u>1,349</u>	<u>(1,279)</u>
	<u>(236,187)</u>	<u>126,963</u>	<u>(109,224)</u>
Remeasurements:			
Return on plan assets (Other than the amount included in interest revenue or expense)		-	1,307
Effects of changes in economic assumptions	(834)		- (834)
Experience adjustments	<u>9,783</u>		<u>9,783</u>

		=	
	8,949	1,307	10,256
Contribution to pension fund	-	3,500	3,500
Payment of pension benefits	7,534	7,525	9
Balance, December 31	(\$ 219,704)	\$ 124,245	(\$ 95,459)

	<u>2022</u>		
	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Defined benefit liability</u>
Balance, January 1	(\$ 231,198)	\$ 115,065	(\$ 116,133)
Current service cost	(861)	-	(861)
Interest (expense) revenue	(1,426)	677	(749)
	(233,485)	115,742	(117,743)
Remeasurements:			
Return on plan assets (Other than the amount included in interest revenue or expense)		9,393	9,393
Effects of changes in demographic assumptions	(2)	-	(2)
Effects of changes in economic assumptions	9,857	-	9,857
Experience adjustments	(9,262)	-	(9,262)
	593	9,393	9,986
Contribution to pension fund	-	479	479
Payment of pension benefits	-	-	-
Balance, December 31	(\$ 232,892)	\$ 125,614	(\$ 107,278)

- (4) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Group has no right to participate in managing and

operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 Paragraph 142. The composition of fair value of plan Assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(5) The principal actuarial assumptions used were as follows:

	<u>2023</u>	<u>2022</u>
Discount rate	1.15%~1.20%	1.20%~1.30%
Future salary increase in percent	3.00%	3.00%

The future mortality rates in 2023 and 2022 were both estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increase in percent</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2023				
Effects on the present value of a defined benefit obligation	(\$ <u>3,743</u>)	<u>\$ 3,846</u>	<u>\$ 3,768</u>	(\$ <u>3,685</u>)
December 31, 2022				
Effects on the present value of a defined benefit obligation	(\$ <u>4,233</u>)	<u>\$ 4,361</u>	<u>\$ 4,273</u>	(\$ <u>4,171</u>)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of sensitivity analysis the current period are the same as the ones of the previous period.

(6) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to NT\$3,140.

(7) As of December 31, 2023, the weighted average duration of that retirement plan is 6-8 years. The analysis of timing of the future pension payment was as follows:

Less than 1 year	\$ 14,665
1-2 years	9,350
2-5 years	77,550
More than 5 years	<u>135,829</u>
	<u>\$ 237,394</u>

2.(1) Effective July 1, 2005, the Group has established a defined contribution pension plan

(the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment..

- (2) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022 were NT\$57,627 and NT\$54,981 respectively.

(XVI) Capital

1. The number of outstanding shares of the Company as of December 31, 2023 and 2022 were both 184,950 thousand shares, and the number of shares in 2023 and 2022 remained unchanged.
2. As of December 31, 2023, the Company’s authorized capital was NT\$3,000,000, and the paid-in capital was NT\$1,849,500 with 184,950 thousand shares and a par value of NT\$10 per share. All proceeds from shares issued have been collected.

(XVII) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(XVIII) Retained earnings

1. Under the Articles of Incorporation of the company, the earnings, if any, shall be distributed after close of the year as follows:
 - (1) First pay income tax.
 - (2) Make up loss accumulated in previous year, if any.
 - (3) Amortize 10% as legal reserve unless the accumulated legal reserve is up to the total paid-in capital of the Company.
 - (4) Amortize or rotate special reserve as required by law or the competent authority.
 - (5) For the balance after deduction of the sums under Paragraphs (1)-(4), the Board of Directors shall propose the allocation to be duly allocated after being submitted and resolved in the shareholders’ meeting.
2. The Company sets its dividend policy pursuant to the Company Act and the Company’s Articles of Incorporation, taking into account the Company’s capital and financial structure, conditions of business operation, earnings, the attributes of industries and cycles concerned. The Company pays dividends by means of either stock dividend or cash dividends.
3. Except for covering accumulated deficit or issuing new stocks or cash to shareholder in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company’s paid-in capital.

- 4.(1) The 2022 earnings distribution proposal was passed by the shareholders' meeting on May 31, 2023 and the 2021 earnings distribution proposal was approved by the shareholders' meeting on May 27, 2022 as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>Dividend per share (NT\$)</u>	<u>Amount</u>	<u>Dividend per share (NT\$)</u>
Legal reserve	\$ 206,789		\$ 185,375	
Cash dividends	<u>1,849,500</u>	\$ 10.00	<u>1,664,550</u>	\$ 9.00
Total	<u>\$ 2,056,289</u>		<u>\$ 1,849,925</u>	

- (2) For the abovementioned shareholders' meeting resolution on the appropriation of earnings, please refer to the "Market Observation Post System" of the Taiwan Stock Exchange.
5. The Company's earning distribution plan for the year ended December 31, 2023 approved by the board of directors' meeting on March 13, 2024 is as follows:

	<u>2023</u>	
	<u>Amount</u>	<u>Dividend per share (NT\$)</u>
Legal reserve	\$ 191,083	
Cash dividends	998,730	\$ 5.40
Stock dividends	739,800	4.00
Total	<u>\$ 1,929,613</u>	

(XIX) Other equity items

	<u>Unrealized valuation profit or loss</u>	
	<u>2023</u>	<u>2022</u>
January 1	\$ 1,291,123	\$ 1,843,966
Valuation - Total amount of the Group	(124,676)	(552,360)
Valuation - Tax amount of the Group	66	(483)
December 31	<u>\$ 1,166,513</u>	<u>\$ 1,291,123</u>

(XX) Operating Revenue

	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers:		
Revenue from construction contracts	\$ 18,668,335	\$ 21,538,049
Revenue from sales of goods	3,716,526	2,932,353
Revenue from contract for service	6,898	3,746

Other revenue from contracts	<u>110,767</u>	<u>108,919</u>
	<u>\$ 22,502,526</u>	<u>\$ 24,583,067</u>

1. Detail of customer contract income

The Group's revenue is mainly from the transfer of products and services over time or at a point of time, and it can be divided based on product lines and regions as follows:

	<u>Taiwan</u>			
<u>2023</u>	<u>Construction</u> <u>business</u>	<u>Building materials</u> <u>business</u>	<u>Design of interior</u> <u>decoration</u>	<u>Total</u>
Departmental revenue	\$ 17,213,177	\$ 3,988,002	\$ 1,521,800	\$ 22,722,979
Revenue from internal department transactions	<u>(59,485)</u>	<u>(160,682)</u>	<u>(286)</u>	<u>(220,453)</u>
Revenue from contracts with external customers	<u>\$ 17,153,692</u>	<u>\$ 3,827,320</u>	<u>\$ 1,521,514</u>	<u>\$ 22,502,526</u>
Timing of revenue recognition				
Revenue recognized at a point in time	\$ -	\$ 3,794,759	\$ 32,534	\$ 3,827,293
Revenue recognized over time	<u>17,153,692</u>	<u>32,561</u>	<u>1,488,980</u>	<u>18,675,233</u>
	<u>\$ 17,153,692</u>	<u>\$ 3,827,320</u>	<u>\$ 1,521,514</u>	<u>\$ 22,502,526</u>

<u>2022</u>	<u>Taiwan</u>			
	<u>Construction business</u>	<u>Building materials business</u>	<u>Design of interior decoration</u>	<u>Total</u>
Departmental revenue	\$ 20,562,413	\$ 3,190,424	\$ 1,062,793	\$ 24,815,630
Revenue from internal department transactions	(52,215)	(180,327)	(21)	(232,563)
Revenue from contracts with external customers	<u>\$ 20,510,198</u>	<u>\$ 3,010,097</u>	<u>\$ 1,062,772</u>	<u>\$ 24,583,067</u>
Timing of revenue recognition				
Revenue recognized at a point in time	\$ -	\$ 3,001,110	\$ 40,162	\$ 3,041,272
Revenue recognized over time	<u>20,510,198</u>	<u>8,987</u>	<u>1,022,610</u>	<u>21,541,795</u>
	<u>\$ 20,510,198</u>	<u>\$ 3,010,097</u>	<u>\$ 1,062,772</u>	<u>\$ 24,583,067</u>

2. Outstanding construction contracts

As of December 31, 2023 and 2022 for the signed construction contracts, the aggregated amounts of the transaction amount allocated to the unsatisfied contract performance, and the estimated recognition years are as the following:

<u>Year</u>	<u>Year of the estimated recognized revenues</u>	<u>Amounts of the signed contracts</u>
2023	2024 - 2027	<u>\$ 34,698,766</u>
2022	2023 ~ 2026	<u>\$ 31,410,420</u>

3. Contract assets and contract liabilities

The Group's recognition of contract assets and contract liabilities related to contracts with customers is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract asset:			
Contract asset - Construction retainage	\$ 2,303,767	\$ 1,820,327	\$ 1,303,144
Contract asset - Construction contract	<u>2,616,897</u>	<u>3,761,383</u>	<u>2,008,582</u>
Total	<u>\$ 4,920,664</u>	<u>\$ 5,581,710</u>	<u>\$ 3,311,726</u>

Contract liability:

Contract liability - Construction contract	\$ 2,180,545	\$ 994,435	\$ 1,095,515
Contract liability - contract for building materials	<u>23,527</u>	<u>18,079</u>	<u>35,210</u>
Total	<u>\$ 2,204,072</u>	<u>\$ 1,012,514</u>	<u>\$ 1,130,725</u>

4. Contract assets and contract liabilities related to aforementioned contracts recognized as of December 31, 2023 and 2022, and as of January 1, 2022:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Total costs incurred plus profits recognized (less losses recognized)	\$ 42,197,162	\$ 35,728,397	\$ 26,427,993
Less: Amount requested for progress of works	(41,760,810)	(32,961,449)	(25,514,926)
Status of net assets and liabilities of ongoing contracts	<u>\$ 436,352</u>	<u>\$ 2,766,948</u>	<u>\$ 913,067</u>
Listed as:			
Contract asset - Construction contract	\$ 2,616,897	\$ 3,761,383	\$ 2,008,582
Contract liability - Construction contract	(2,180,545)	(994,435)	(1,095,515)
	<u>\$ 436,352</u>	<u>\$ 2,766,948</u>	<u>\$ 913,067</u>

(XXI) Operation cost

	<u>2023</u>	<u>2022</u>
Cost of construction contract	\$ 15,541,365	\$ 18,356,790
Cost of sales of goods	3,490,374	2,831,718
Cost of contract for service	856	912
Other costs from contracts	<u>7,153</u>	<u>5,395</u>
	<u>\$ 19,039,748</u>	<u>\$ 21,194,815</u>

(XXII) Interest revenue

	<u>2023</u>	<u>2022</u>
Interest income from the financial assets measured at amortized costs	\$ 18,069	\$ 17,875
Interest on cash in banks	11,041	6,746
Other interest income	<u>230</u>	<u>111</u>
	<u>\$ 29,340</u>	<u>\$ 24,732</u>

(XXIII) Other income

	<u>2023</u>	<u>2022</u>
Dividend income	\$ 122,213	\$ 184,983
Rent income	2,608	2,608
Gains on write-off of accounts payable past due	13,970	903
Other income - others	<u>8,876</u>	<u>21,432</u>
	<u>\$ 147,667</u>	<u>\$ 209,926</u>

(XXIV) Other gains and losses

	<u>2023</u>	<u>2022</u>
Gain (loss) on foreign currency valuation (\$	49)	(\$ 4)
Foreign exchange net (loss) gain	(1,704)	12,273
Gains on lease modifications	-	175
Gains on disposals of real estate, plant and equipment	43	10,475
Other Losses	<u>(1,607)</u>	<u>(3,316)</u>
	<u>(\$ 3,317)</u>	<u>\$ 19,603</u>

(XXV) Financial Costs

	<u>2023</u>	<u>2022</u>
Interest expense:		
Bank loan	\$ 103,166	\$ 59,644
Interest expenses of lease liabilities	15,001	7,527
Less: Amount eligible for capitalization	<u>-</u>	<u>(45)</u>
	<u>\$ 118,167</u>	<u>\$ 67,126</u>

(XXVI) Additional information of expenses by nature

	<u>2023</u>	<u>2022</u>
Raw materials purchased and contract work for current period (including inventory change)	\$ 16,237,592	\$ 18,574,183
Employee benefit expense	2,019,150	1,944,165
Freight expense	328,406	270,892
Depreciation expenses for property, plant and equipment	308,561	265,762

Utilities bill	318,471	250,013
Commodity tax	170,230	124,405
Depreciation expenses for right-of-use assets	103,149	99,694
Repairs and maintenance expense	117,897	121,002
Rent expense	120,607	139,336
Amortization and depreciation expenses of intangible assets	12,759	12,145
Expected credit impairment (losses) gains	3,688 (	100)
Other expense	307,892	342,030
Operating costs and expenses	<u>\$ 20,048,402</u>	<u>\$ 22,143,527</u>

(XXVII) Employee benefit expense

	<u>2023</u>	<u>2022</u>
Wages and salaries	\$ 1,729,575	\$ 1,669,880
Labor and Health Insurance costs	129,386	123,487
Pension expense	59,573	56,591
Directors' Remuneration	9,759	8,408
Other employment fees	90,857	85,799
	<u>\$ 2,019,150</u>	<u>\$ 1,944,165</u>

1. According to the Articles of Incorporation, the Company shall appropriate 1% of the remainder of the profit for the year as profit sharing remuneration for employees after deducting the accumulated losses from the profit for the current year.
2. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at NT\$23,535 and NT\$25,514, respectively. The aforementioned amounts were recognized in salary expenses.

The 2023 profit situation as of the end of the current period is estimated based on at least 1%. The employees' compensation resolved by the Board of Directors was NT\$23,535, which will be distributed in the form of cash.

Employees' compensation of 2022 as resolved by the Board of Directors was consistent with the amount recognized in the 2022 financial statements. The 2022 employees' compensation was distributed in the form of cash.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the board of directors and the shareholders at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(XXVIII) Income tax

1. Income tax expense

(1) Components of Income tax expense:

	<u>2023</u>		<u>2022</u>
Current income tax:			
Income tax from the taxable income of the current period	\$ 475,654	\$	496,811
Land value increment tax	-		369
Extra imposed on undistributed earnings	580		195
Underestimate (Overestimate) of income tax for prior years	(4,128)		<u>703</u>
Total income tax for current period	<u>472,106</u>		<u>498,078</u>
Deferred income tax:			
Origination and reversal of temporary differences	(900)	(	3,350)
Tax loss	<u>416</u>		<u>4,243</u>
Total deferred income tax	<u>(484)</u>		<u>893</u>
Income tax expense	<u>\$ 471,622</u>	\$	<u>498,971</u>

(2) Income tax expense relating to components of other comprehensive income:

	<u>2023</u>		<u>2022</u>
	(\$ 191)	\$	1,447
Financial assets at fair value through other comprehensive income - fair value change			
Remeasurements of defined benefit obligation	<u>2,051</u>		<u>1,997</u>
Total	<u>\$ 1,860</u>	\$	<u>3,444</u>

2. The making of any adjustment for differences between the accounting income and taxable income:

	<u>2023</u>		<u>2022</u>
Imputed income taxes on pre-tax income at a statutory tax rate	\$ 501,930	\$	525,335
Expenses to be excluded as stipulated in the tax law	1,305		232
Income with exemption from tax as stipulated in the tax law	(24,443)	(	36,451)
Tax loss on unrealizable deferred income tax assets	-		5,293
Changes in realizability evaluation on deferred income tax assets	-		3,295
Underestimate (Overestimate) of income tax for prior years	4,128)		703

Land value increment tax		-	369
Temporary differences on unrealized deferred income tax assets	(	541)	-
Income tax effects of investment tax credits	(	3,081)	-
Extra imposed on undistributed earnings		580	195
Income tax expense		<u>\$ 471,622</u>	<u>\$ 498,971</u>

3. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax loss (loss carryforwards) are as follows:

	<u>January 1</u>	<u>Recognized in profit and loss</u>	<u>2023 Recognized in other comprehensive income</u>	<u>December 31</u>
Deferred income tax assets:				
- Temporary differences:				
Loss on market value decline of inventory	\$ 393	\$ 213	\$ -	\$ 606
Actuarial gains and losses of pension	16,322	(313)	(2,051)	13,958
Warranty provision	26,924	1,254	-	28,178
Unrealized gains or losses	10,700	(221)	-	10,479
Valuation income and loss	44,299	-	-	44,299
Unrealized sales discounts	2,157	948	-	3,105
Unrealized impairment loss	26,184	(992)	-	25,192
- Tax losses (loss carryforwards)	470	(416)	-	54
Subtotal	<u>127,449</u>	<u>473</u>	<u>(2,051)</u>	<u>125,871</u>
Deferred income tax liability:				
- Temporary differences:				
Unrealized gain on financial instruments	(3,607)	-	191	(3,416)
Unrealized foreign exchange gains	(31)	11	-	(20)
Capital surplus	(13,939)	-	-	(13,939)
Subtotal	<u>(17,577)</u>	<u>11</u>	<u>191</u>	<u>(17,375)</u>
Total	<u>\$ 109,872</u>	<u>\$ 484</u>	<u>(\$ 1,860)</u>	<u>\$ 108,496</u>

2022

	<u>January 1</u>	<u>Recognized in profit and loss</u>	<u>Recognized in other</u>	<u>December 31</u>
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		<u>loss</u>		<u>comprehensive</u> <u>income</u>
Deferred income tax assets:				
- Temporary differences:				
Loss on market value decline of inventory	\$ 1,398	(\$ 1,005)	\$ -	\$ 393
Actuarial gains and losses of pension	18,093	226	(1,997)	16,322
Warranty provision	21,146	5,778	-	26,924
Unrealized gains or losses	11,201	(501)	-	10,700
Valuation income and loss	44,299	-	-	44,299
Unrealized sales discounts	1,622	535	-	2,157
Unrealized impairment loss	27,872	(1,688)	-	26,184
- Tax losses (loss carryforwards)	<u>4,713</u>	<u>(4,243)</u>	<u>-</u>	<u>470</u>
Subtotal	<u>130,344</u>	<u>(898)</u>	<u>(1,997)</u>	<u>127,449</u>
Deferred income tax liability:				
- Temporary differences:				
Unrealized gain on financial instruments	(2,160)	-	(1,447)	(3,607)
Unrealized foreign exchange gains	(36)	5	-	(31)
Capital surplus	<u>(13,939)</u>	<u>-</u>	<u>-</u>	<u>(13,939)</u>
Subtotal	<u>(16,135)</u>	<u>5</u>	<u>(1,447)</u>	<u>(17,577)</u>
Total	<u>\$ 114,209</u>	<u>(\$ 893)</u>	<u>(\$ 3,444)</u>	<u>\$ 109,872</u>

4. Expiration dates of loss carryforwards unused by the Group and amounts of unrecognized deferred tax assets are as follows:

December 31, 2023

<u>Year of occurrence</u>	<u>Declared/Verified</u>	<u>Amount not deducted</u>	Non-recognized amount of deferred income tax assets	<u>The final year in which the tax deduction is applied</u>
2021	<u>\$ 3,988</u>	<u>\$ 269</u>	<u>\$ -</u>	2031

December 31, 2022

<u>Year of occurrence</u>	<u>Declared/Verified</u>	<u>Amount not deducted</u>	Non-recognized amount of deferred income tax assets	<u>The final year in which the tax deduction is applied</u>
2021	<u>\$ 3,988</u>	<u>\$ 2,352</u>	<u>\$ -</u>	2031

5. The Company's income tax returns through 2020 have been assessed as approved by the Tax Authority.

(XXIX) Transactions with non-controlling interests

Disposal of equity in subsidiaries (without losing control)

The Group sold 3.70% equity in the sub-subsidiary, Ruentex Interior Design, at a consideration of NT\$11,707 on July 19, 2022. The carrying amount of Ruentex Interior Design's non-controlling interests on the date of the sale was NT\$152,449; with that, the non-controlling interests increased by NT\$5,420, and the equity attributable to the owners of the parent company increased by NT\$6,287. The effects of changes in Ruentex Interior Design's equity in 2022 on the equity attributable to the owners of parent are as follows:

	<u>2022</u>
Consideration received from the non-controlling interests	\$ 11,707
Carrying amount of disposal to non-controlling interests	(5,420)
Other equities	<u>(385)</u>
Capital surplus - difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	<u>\$ 5,902</u>

(XXX) Earnings per share

		<u>2023</u>	
	After-tax amount	Number of shares outstanding (thousand shares) at the end of the period	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	<u>\$ 1,902,201</u>	<u>184,950</u>	<u>\$ 10.28</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 1,902,201	184,950	
Impact of potential diluted common shares			
Remuneration to employee	=	<u>245</u>	
Effects of the net income attributable to ordinary shareholders of the parent plus potential ordinary shares	<u>\$ 1,902,201</u>	<u>185,195</u>	<u>\$ 10.27</u>

	<u>2022</u>		
	After-tax amount	Number of shares outstanding (thousand shares) at the end of the period	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	<u>\$ 2,060,529</u>	<u>184,950</u>	<u>\$ 11.14</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 2,060,529	184,950	
Impact of potential diluted common shares			
Remuneration to employee	-	238	
Effects of the net income attributable to ordinary shareholders of the parent plus potential ordinary shares	<u>\$ 2,060,529</u>	<u>185,188</u>	<u>\$ 11.13</u>

(XXXI) Cash flow supplementary information

1. Operating and investing activities with no cash flow effects:

	<u>2023</u>	<u>2022</u>
Prepaid equipment transferred to R&D expenses	\$ <u>1,087</u>	\$ <u>-</u>

2. Investing activities not affecting cash flow:

	<u>2023</u>	<u>2022</u>
Prepayments for business facilities reclassified to property, plant and equipment	\$ <u>54,421</u>	\$ <u>29,054</u>

3. Investing activities paid partially by cash:

	<u>2023</u>	<u>2022</u>
Acquisition of financial assets at fair value through other comprehensive income	\$ -	\$ 1,657,835
Add: Investments payable at the beginning of the period	<u>-</u>	<u>5,857</u>
Cash payments for current period	<u>\$ -</u>	<u>\$ 1,663,692</u>

	<u>2023</u>	<u>2022</u>
Acquisition of property, plant and equipment	\$ 432,035	\$ 350,853
Add: Other payables at the beginning of the period	31,937	36,364
Less: Other payables at the end of the period	<u>(13,065)</u>	<u>(31,937)</u>
Cash payments for current period	<u>\$ 450,907</u>	<u>\$ 355,280</u>

4. Operating and financing activities with no cash flow effects:

	<u>2023</u>	<u>2022</u>
Guarantee deposits received transferred to contract liabilities	\$ <u>88,274</u>	\$ <u>-</u>

(XXXII) Changes of liabilities from financing activities

2023

	Short-term borrowings	Short-term bills payable	Long-term borrowings (including due within one year or one operating cycle)	Lease liabilities (including those due within 1 year)	Guarantee deposits received	Total liabilities from financing activities
January 1	\$ 3,239,000	\$ 884,342	\$ 2,550,000	\$ 985,690	\$ 107,915	\$ 7,766,947
Changes of the financing cash flows	(2,489,000)	(515,000)	1,750,000	(97,236)	6,366	(1,344,870)
Newly added lease contracts	-	-	-	83,900	-	83,900
Other non-cash changes	-	590	-	-	(88,274)	(87,684)
December 31	<u>\$ 750,000</u>	<u>\$ 369,932</u>	<u>\$ 4,300,000</u>	<u>\$ 972,354</u>	<u>\$ 26,007</u>	<u>\$ 6,418,293</u>

	Short-term borrowings	Short-term bills payable	Long-term borrowings (including due within one year or one operating cycle)	Lease liabilities (including those due within 1 year)	Guarantee deposits received	Total liabilities from financing activities
January 1	\$ 400,000	\$ 509,676	\$ 2,500,000	\$ 259,160	\$ 18,542	\$ 3,687,378
Changes of the financing cash flows	2,839,000	375,000	50,000	(96,096)	89,373	3,257,277
Newly added lease contracts	-	-	-	822,626	-	822,626
Other non-cash changes	-	(334)	-	-	-	(334)
December 31	<u>\$ 3,239,000</u>	<u>\$ 884,342</u>	<u>\$ 2,550,000</u>	<u>\$ 985,690</u>	<u>\$ 107,915</u>	<u>\$ 7,766,947</u>

VII. Transaction with Related Parties

(I) Names of related parties and relationship

<u>Name of the related party</u>	<u>Relation to the Group</u>
Ruentex Development Co., Ltd. (Ruentex Development)	Parent
Ruentex Innovative Development Co., Ltd. (Ruentex Innovative Development)	Fellow subsidiary
Ruentex Bai-Yi Development co., Ltd.	Fellow subsidiary
Ruentex Xu-Zhan Development co., Ltd.	Fellow subsidiary
Ruentex Property Management and Maintenance Co., Ltd.	Fellow subsidiary
Ruentex Construction & Development Co., Ltd.	Fellow subsidiary
Ruentex Industries Ltd. (Ruentex Industries)	Other related parties (A company recognized using the equity method for the parent company)
Ruentex Construction & Engineering Co., Ltd. (Ruentex Construction)	Other related party (the Group's management personnel is the representative of the juridical person director of the company)
Ruentex Xing Co. Ltd.	Other related party (its director is the representative of the juridical person director of

the Group)

Huei Hong Investment Co., Ltd.	Other related party (the chairperson of the parent company is the representative of its juridical corporate director)
Nan Shan Life Insurance Co., Ltd. (Nan Shan Life Insurance)	Other related parties (A company recognized using the equity method by the parent company)
Nan Shan General Insurance Co., Ltd.	Other related party (one of the parent company's associates is a controlled company of the company)
Shing Yen Construction & Development Co., Ltd.	Other related party (subsidiary of the parent company's associates)
Ruen Hua Dyeing & Weaving Co., Ltd.	Other related party (the Group's management personnel is the representative of the juridical person director of the company)
Yi Tai Investment Co., Ltd. (Yi Tai Investment)	Other related party (the Group's management personnel is the representative of the juridical person director of the company)
Sunny Friend Environmental Technology Co., Ltd.	Other related party (the parent company's equity method investment associates)

Name of the related party	Relation to the Group
OBI Pharma, Inc.	Other related party (the Group's substantial related party)
Shu-Tien Urology and Ophthalmology Clinic	Other related party (juridical person director of the parent company's associates)
Chang Quan Investment Co., Ltd.	Other related party (The Group's representative of the juridical person director is the representative of the juridical person director of the company)
Penglin Investment Co., Ltd.	Other related party (its director is the representative of the juridical person director of the Group)
Samuel Yen-Liang Yin	Other related party (the relative within the first degree of kinship of the representative of the juridical corporate director of the Group)
Lee, Chih-Hung	Key management personnel (Chairperson of the Company and president of the parent company)
Mo, Wei-Han	Key management personnel (President of the Company and chairperson of the subsidiary)
Chen, Hsueh-Hsien	Key management personnel (President of the subsidiary)
Jean, Tsang-Jiunn	Key management personnel (Chairperson of the parent company and sub-subsidiary)
Lu, Yu-Huang	Key management personnel (President of the sub-subsidiary)

(II) Significant related party transactions and balances

1. Operating revenue

	<u>2023</u>	<u>2022</u>
Contract of construction:		
- Ruentex Development	\$ 4,028,230	\$ 4,107,541
- Fellow subsidiary	1,675,587	1,584,654
- Other related parties	239,618	53,115
Sales of goods:		
- Parent	64,743	46,120
- Fellow subsidiary	3,540	2,463
- Other related parties	8,371	3,594
Total	<u>\$ 6,020,089</u>	<u>\$ 5,797,487</u>

The contract price of the contract of construction and sales of goods are negotiated by both parties and are collected by the due date as stated in the contract.

2. Receivables from related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable:		
- Fellow subsidiary	\$ 28,433	\$ -
- Parent	<u>27,124</u>	<u>51</u>
	<u>\$ 55,557</u>	<u>\$ 51</u>
Accounts receivable:		
- Ruentex Development	\$ 447,973	\$ 70,107
- Fellow subsidiary	266,156	3,542
- Other related parties	<u>34,907</u>	<u>855</u>
	<u>\$ 749,036</u>	<u>\$ 74,504</u>
Other receivables (Note 1):		
- Nan Shan Life Insurance	\$ 9,038	\$ 9,038
- Other related parties	<u>481</u>	<u>-</u>
	<u>\$ 9,519</u>	<u>\$ 9,038</u>
Contract assets (Note 2):		
- Ruentex Development	\$ 497,688	\$ 395,061
- Fellow subsidiary	178,229	101,091
- Other related parties	<u>14,699</u>	<u>-</u>
	<u>\$ 690,616</u>	<u>\$ 496,152</u>

Note 1: Mainly related to interest receivable and other receivables due to secondment of personnel.

Note 2: mainly the retention money related to construction contracts.

3. Incomplete work of construction contracting and advance Construction Receipts.

	<u>December 31, 2023</u>	
	<u>Total contract amount (tax excluded)</u>	<u>Amount requested for progress of works</u>
Ruentex Development	\$ 19,731,148	\$ 10,373,028
Ruentex Innovative Development	3,889,964	3,150,490
Fellow subsidiary	491,290	383,946
Other related parties	<u>423,721</u>	<u>305,661</u>
	<u>\$ 24,536,123</u>	<u>\$ 14,213,125</u>
	<u>December 31, 2022</u>	

	<u>Total contract amount (tax excluded)</u>	<u>Amount requested for progress of works</u>
Ruentex Development	\$ 18,316,764	\$ 9,074,337
Ruentex Innovative Development	3,320,645	1,706,825
Fellow subsidiary	509,103	220,548
Other related parties	<u>419,599</u>	<u>17,120</u>
	<u>\$ 22,566,111</u>	<u>\$ 11,018,830</u>

4. Interest revenue

	<u>2023</u>	<u>2022</u>
Financial assets at amortised cost		
Interest revenue:		
- Nan Shan Life Insurance	<u>\$ 17,500</u>	<u>\$ 17,500</u>

5. Property transactions

(1) Acquisition of financial Assets

Please refer to the descriptions in Note 6(5) 5 and 6.

(2) Property, plant and equipment acquired

For the construction of the Yilan Dongshan Plant Silica Sand Screening Warehouse Construction Project, the Group signed a project outsourcing contract with Ruentex Construction after approval of the Board of Directors on December 29, 2021, to outsource the project to Ruentex Construction; it obtained the license in June 2022. The final contract price and the payment made are both NT\$42,804 and the payment was completed in August 2022.

6. Lease transactions - lessees/rent expenses

(1) The Group leased land and warehouses from Ruentex Industries and Yi Tai Investment with a lease term from 2017 through 2022. The contract was renewed with Ruentex Industries in June 2022, with the lease term extended to May 31, 2040, while the right-of-use assets and lease liabilities of NT\$342,534 were recognized. The lease contracts are negotiated individually, with different terms and conditions. The leased assets are neither to be used as collaterals for loans, nor the rights to be transferred to others in the form of business transfer or merge, among other forms.

(2) The Group signed a land lease contract with Ruentex Industries in June 2020, with the lease term from September 1, 2022 through May 31, 2040, while the right-of-use assets and lease liabilities of NT\$506,812 were recognized. According to the terms and conditions of lease contracts, the leased assets are neither to be used as collaterals for loans, nor the rights to be transferred to others in the form of business transfer or merge, among other forms.

(3) Rent expenses of short-term lease contracts

	<u>2023</u>	<u>2022</u>
Other related parties	\$ <u>43,047</u>	\$ <u>63,820</u>

(4) Lease liabilities

A. Balance at the end of the period

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total amount of lease liabilities (Note)	\$ 851,787	\$ 832,819
Less: Due within one year (listed as lease liabilities - current)	<u>(45,743)</u>	<u>(41,825)</u>
	<u>\$ 806,044</u>	<u>\$ 790,994</u>

Note: Please refer to Note 6(8)6.

B. Interest Costs:

	<u>2023</u>	<u>2022</u>
Other related parties	\$ <u>13,493</u>	\$ <u>5,471</u>

7. Endorsements or Guarantees made by related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Key management personnel and other related parties	\$ <u>19,522,870</u>	\$ <u>13,112,870</u>

8. Others

A portion of the subsidiary's land is agricultural land. Due to legal restrictions, the Consolidated Company is not entitled to the property rights of the aforementioned land. Therefore, the property rights of the agricultural land obtained in 2009, 2010, 2015, 2018, and 2020 were registered to the chief management and pledged as collateral to the subsidiary. As of December 31, 2023, the carrying value of agricultural and animal husbandry land was NT\$84,306 under "Property, plant and equipment."

(III) Key management compensation information

	<u>2023</u>	<u>2022</u>
Short term employee benefits	\$ 237,861	\$ 238,555
Post-employment benefits	3,585	3,667
Termination benefits	<u>2,500</u>	<u>495</u>
Total	<u>\$ 243,946</u>	<u>\$ 242,717</u>

VIII. Pledged Assets

The Group's Assets pledged as collateral are as follows:

<u>Asset items</u>	<u>Carrying amount</u>		<u>For guarantee purpose</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	
Other financial assets-current (listed as "other current assets")	\$ 526,194	\$ 500,326	Business contracts, engineering contract guarantee deposits, warranties, and so on guarantees
Other financial assets - non-current (listed as "other non-current assets")	91,856	91,819	Performance bond
Land (listed in "real estate properties, plants, and equipment")	1,367,269	1,367,269	Long-term borrowings and guarantee quota
Buildings (listed in "real estate properties, plants, and equipment")	159,772	185,341	Long-term borrowings and guarantee quota
	<u>\$ 2,145,091</u>	<u>\$ 2,144,755</u>	

IX. Significant Contingent Liabilities and Unrecognized Commitments

(I) Contingencies

Please refer to Note 6(9).

(II) Commitments

Except those described in Note 6(8) and 7, other material commitments are as follows:

1. As of December 31, 2023 and 2022, the total amount of the construction contracts entered into by the Group for construction projects were NT\$47,497,257 and NT\$39,531,987, respectively. Amounts of NT\$30,423,172 and NT\$25,807,649 have been paid, respectively, and the remainder will be paid based on the stage of completion.

2. The amounts of letters of credit issued by the Group but not yet used are as follows:

Currency (thousands)	December 31, 2023	December 31, 2022
USD	\$ 139	\$ 413
EUR	106	40

3. On the performance bond for contracting major public construction projects, the Company applied to local banks registered with the Ministry of Finance for a guarantee amount and issued guarantee notes totaling NT\$700,000.

X. Significant Disaster Loss

None.

XI. Significant subsequent events

Please refer to Note 6(18).

XII. Others

(I) Capital management

The Group's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return share capital to shareholders, issue new shares or sell assets in order to adjust to reach the most suitable capital structure. The Group uses the debt-to-capital ratio to monitor its capital, and such ratio is calculated by dividing the net debt by the total capital. The net liabilities is equal to total borrowings (including "current and non-current borrowings" on the consolidated financial statements) deducting cash and cash equivalents. Total capital is the "equity" stated on the consolidated balance sheet plus net liabilities.

As of December 31, 2023 and 2022, the debt to total assets ratio was as follows:

	December 31, 2023	December 31, 2022
Total borrowings	\$ 5,420,000	\$ 6,674,000
Less: Cash and cash equivalents	(912,362)	(2,380,096)
Net debt	4,507,638	4,293,904
Total equity	8,078,472	8,076,446
Total capital	\$ 12,586,110	\$ 12,370,350
Debt-to-total-capital ratio	35.81%	34.71%

(II) Financial instruments

1. Type of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive income acquired - non-Current	<u>\$ 4,334,599</u>	<u>\$ 4,474,311</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 912,362	\$ 2,380,096
Financial assets measured by amortized cost - current	-	75,000
Notes receivable (including related parties)	1,059,259	575,945
Accounts receivable (including related parties)	3,117,684	1,776,038
Other Receivables (including related parties)	14,794	10,775
Financial Assets at amortized cost- non-Current	500,000	500,000
Other financial assets listed in (“other current assets” and “other non-current assets”)	618,050	592,145
Refundable deposits listed in (“other current assets” and “other non-current assets”)	<u>59,640</u>	<u>85,998</u>
	<u>\$ 6,281,789</u>	<u>\$ 5,995,997</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>		
Financial liabilities are carried at amortized cost		
Short-term borrowings	\$ 750,000	\$ 3,239,000
Short-term bills payable	369,932	884,342
Notes payable	818,024	996,934
Accounts Payable	2,829,422	2,919,943
Other payables	863,069	784,201
Long-term borrowings (including those due within one year or one operating cycle)	4,300,000	2,550,000
Guarantee deposits received (listed as “other non-current liabilities”)	<u>26,007</u>	<u>107,915</u>
	<u>\$ 9,956,454</u>	<u>\$ 11,482,335</u>
Lease liabilities - current and non-current	<u>\$ 972,354</u>	<u>\$ 985,690</u>

2. Risk management policies

- (1) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk, and price risk), credit risk, and liquidity risk. The Group's overall risk management policy emphasizes the unforeseeable matters of the financial market and seeks to lower the effects from potential disadvantages to the Group's financial position and performance.

(2) Risk management is executed by the financial department according to the policies approved by the Board of Directors, and closely cooperated with the operating units of the Group in order to be responsible for the identification, assessment, and hedging of financial risks. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3. Significant financial risks and degrees of financial risks

(1) Market risk

Foreign exchange risk

- A. The Group's financial risk management's objective is to manage currency exchange risk, interest risk, credit risk, and liquidity risk regarding operating activities. To reduce relevant financial risks, the Group is devoted to identifying, evaluating, and circumventing market uncertainties to mitigate the potential negative impacts on the Group's financial performance due to market movements.
- B. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be affected by exchange rate fluctuations is as follow:

		<u>December 31, 2023</u>			
				<u>Sensitivity analysis</u>	
Foreign currency		Carrying amount		<u>Effects on profit</u>	
<u>(NT\$ Thousand)</u>	<u>Exchange rate (NT\$)</u>	<u>(NT\$)</u>	<u>Range of variation</u>	<u>and loss</u>	
<u>Financial assets</u>					
<u>Monetary item</u>					
USD: NTD	\$ 57	30.71	\$ 1,750	1%	\$ 18
<u>Financial liabilities</u>					
<u>Monetary item</u>					
USD: NTD	3,005	30.71	92,284	1%	923
Euro: NTD	31	33.98	1,053	1%	11
		<u>December 31, 2022</u>			
				<u>Sensitivity analysis</u>	
Foreign currency		Carrying amount		<u>Effects on profit</u>	
<u>(NT\$ Thousand)</u>	<u>Exchange rate (NT\$)</u>	<u>(NT\$)</u>	<u>Range of variation</u>	<u>and loss</u>	
<u>Financial assets</u>					
<u>Monetary item</u>					
USD: NTD	\$ 43	30.71	\$ 1,321	1%	\$ 13

Financial liabilities

Monetary item

USD: NTD	202	30.71	6,203	1%	62
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- C. Foreign exchange risk has significant impact on the Group, and the foreign exchange gains or losses (including realized and unrealized) on monetary items recognized were losses of NT\$1,753 and income NT\$12,269, for the years ended December 31, 2023 and 2022, respectively.

Price risk

- A. The Group's equity instruments exposed to price risk were the financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- B. The Group mainly invests in domestic or foreign equity instruments. The prices of equity instruments is affected by the uncertainty of the future value of investment subject matters. If the prices of these equity instruments had increased/decreased by 1% with all other variables held constant, gains or losses at fair value through other comprehensive income and available-for-sale financial assets for the years ended December 31, 2023 and 2022 would have increased/decreased by NT\$43,346 and NT\$44,743.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risk mainly arises from long- and short-term borrowings with floating interest rates that expose the Group to cash flow interest rate risk. For 2023 and 2022, the borrowing of the Group at the floating interest rate was mainly calculated in NTD.
- B. The borrowing of the Group was measured at amortized cost, and re-pricing was performed according to the annual interest rate specified in the contract. Therefore, the Group is exposed to the risk of future market interest rate changes.
- C. If interest rates on borrowings had been 0.1% higher or lower with all other variables held constant, profit after income tax for the years ended December 31, 2023 and 2022 would have increased/decreased NT\$4,040 and NT\$4,631, respectively, due to change of interest expenses of borrowings at variable interest rate.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Group arising from default by clients or transaction counterparties of financial instruments on the contract obligations. Such risk is mainly due to the counterparties inability to repay the accounts receivable and contract assets according to the payment terms, and it is classified as contract cash flow at amortized cost.
- B. The Group established management of credit risk from the Group's perspective. For corresponding banks and financial institutions, the Company set up to only accept transaction counterparties receiving the credit raking of at least Class "A". According to the internally specified credit extension policy, before each operating entity and each new customer of the Group establish the terms for payment and

goods delivery, it is necessary to perform management and credit risk analysis. The internal risk control considers the financial position, past experience and other factors in order to assess the credit quality of customers. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilization of credit limits is regularly monitored.

- C. The Group adopts IFRS 9 to provide preliminary assumption, and when the payment specified according to the contract term has exceeded 90 days, breach of contract is deemed to have occurred.
- D. The Group uses IFRS 9 to provide the following assumptions, to determine if the credit risks of the financial instrument significantly increased since the initial recognition.

When the contractual payments overdue from the payment terms for more than 30 days, it is deemed the credit risks of the financial instrument significantly increased since the initial recognition.

- E. The indicators for determining the impairment of the debt instrument investment used by the Group are as follows:
- (A) The possibilities that an issuer has a significant financial difficulty, or will become bankrupt or financial reorganized;
- (B) Due to the financial difficulty of the issuer, such that the active market of the financial asset vanishes;
- (C) An issuer delay or fail to repay the interests or principals;
- (D) The unfavorable changes to the national or regional economic conditions leading to the default of an issuer.
- F. The Group classifies the accounts payable of customers and contract assets according to the characteristics of customer rating and type, and adopts the simplified method to use the loss rate method as the basis for estimating the expected credit loss.
- G. After the collection procedures, the financial assets amount that cannot be reasonably estimated will be written-off. However, the Group will continue to continue to pursue the legal right of recourse to protect its claims.
- H. The Group used the forecasting ability of the Taiwan Institute of Economic Research report to adjust historical and timely information to assess the default possibility and estimate impairment provisions for accounts receivable (including related parties) and contract assets. As of December 31, 2023 and 2022, the loss rate methodology is as follows:

	<u>Each</u>	<u>Group A</u>	<u>Group B</u>	<u>Total</u>
<u>December 31, 2023</u>				
Expected loss	0.00%	0.01%~0.03%	0.52%~100%	
Total carrying amount	\$ 695,261	\$ 7,035,223	\$ 315,314	\$ 8,045,798
Allowance for losses	-	398	7,052	7,450
	<u>Each</u>	<u>Group A</u>	<u>Group B</u>	<u>Total</u>
<u>December 31, 2022</u>				

Expected loss	-	0.01%~0.03%	0.25%~100%	
Total carrying amount \$	-	\$ 7,158,116	\$ 203,394	\$ 7,361,510
Allowance for losses	-	356	3,406	3,762

Individual : This consolidation The Company's accounts receivable arising from the contracting of construction to a certain customer exceeded the normal credit period. The two parties have negotiated and obtained the negotiation record and payment plan signed by the customer. According to the negotiation record, the Group has retrieved and completed the pre-registration of mortgage on the construction contracted. As of March 13, 2024, the customer had provided relevant documents to the Group in accordance with the negotiation record to preserve the Group's creditor's rights, and had made the payment in accordance with the payment schedule.

Group A: Sales counterparty established for 10 years and more, or accounts receivable arising from transactions with related parties and contracts for public construction or to debtors who are a high probability of performing the payment financially.

Group B: Sales counterparty established for less than 10 years, or those who have general payment performance ability.

I. The accounts receivable allowance loss change table under the simplified approach of the Group is as follows:

	<u>2023</u>	<u>2022</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
January 1	\$ 3,762	\$ 3,862
Impairment loss (reversal)	3,688	(100)
December 31	<u>\$ 7,450</u>	<u>\$ 3,762</u>

The amounts set forth above are based on the collateral held and other credit enhancements, so the unrecognized allowance for losses was NT\$491,006 and NT\$0 on December 31, 2023 and 2022, respectively.

(3) Liquidity risk

- A. Cash flow forecasting is performed by each of the operating entities of the Group and aggregated by the Finance Department. The Department also monitors the projections for the Group's need for funds to ensure that there is sufficient funding to support operating requirements.
- B. For the remaining cash held by each of the operating entities, when it exceeds the management needs of operating capital, it then invests the remaining capital in a saving deposit with interest, time deposit, or equivalent cash - repurchase agreements, etc. The instruments selected have appropriate maturity date or sufficient liquidity in order to cope with the aforementioned forecasts and to provide sufficient movement level. As of December 31, 2023 and 2022, the Group

holds a currency market position at \$650,026 and \$2,004,289 respectively. It is expected to immediately generate cash flow in managing liquid currency.

C. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the following table are the contractual undiscounted cash flows:

Non-derivative financial liabilities:

December 31, 2023	<u>3 months and below</u>	<u>Within 3 months to 1 year</u>	<u>More than 1 year</u>
Short-term borrowings	\$ 750,000	\$ -	\$ -
Short-term notes and bills payable (Note)	370,000	-	-
Notes payable	814,066	3,958	-
Accounts Payable	767,312	1,272,414	789,696
Other payables	807,950	30,942	24,177
Lease liabilities (Note)	32,082	88,202	970,894
Long-term borrowings (including due within one year or one operating cycle) (Note)	611,734	109,384	3,698,548

Non-derivative financial liabilities:

December 31, 2022	3 months and below	Within 3 months to 1 year	More than 1 year
Short-term borrowings	\$ 3,039,000	\$ 200,000	\$ -
Short-term notes and bills payable (Note)	885,000	-	-
Notes payable	992,621	4,313	-
Accounts Payable	1,430,035	933,692	556,216
Other payables	776,207	2,113	5,881
Lease liabilities (Note)	31,095	78,895	999,925
Long-term borrowings (including due within one year or one operating cycle) (Note)	11,264	581,076	2,017,250

Note: The amount includes the expected interest to be paid in the future.

(III) Fair value information

- The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical Assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The Group's investment in equity instruments without an active market is included.

- The carrying amounts of the Group's financial instruments not measured at fair value, including cash and cash equivalents, financial assets at amortized cost, notes receivable (including related parties), accounts receivable (including related parties), other receivables (including related parties), other financial assets, short-term borrowings, short-term notes payable, notes payable, accounts payable, other payables, long-term borrowings, and other financial liabilities are approximate to their fair values.

- The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics, and risks of the assets and liabilities is as follows:

(1) The Group classifies the assets based on its nature. Related information is as below:

December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial Assets at fair value through other comprehensive income acquired - Non-Current				
Equity securities	<u>\$ 4,253,478</u>	<u>\$ -</u>	<u>\$ 81,121</u>	<u>\$ 4,334,599</u>

December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial Assets at fair value through other comprehensive income acquired - Non-Current				
Equity securities	<u>\$ 4,395,496</u>	<u>\$ -</u>	<u>\$ 78,815</u>	<u>\$ 4,474,311</u>

(2) The methods and assumptions the Group used to measure fair value are as follows:

- A. The Group's financial instruments are traded in active markets, its fair value is measured based on the market quotation at the end of the balance sheet date. The market price of the financial assets held by the Group is the closing market price. These instruments belong to Level 1. (Level 1 instruments are mainly equity instruments. Their classification is financial assets at fair value through other comprehensive income.)
 - B. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. Fair value obtained through the valuation techniques may be referenced to the current available fair value, discount cash flow method or valuation techniques of other financial instruments of similar natures and features, including value obtained through market information calculation model on the balance sheet date.
 - C. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary to reasonably represent the fair value of financial and non-financial instruments on the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on Current market conditions.
 - D. The Group includes credit risk valuation adjustment in the fair value calculation for financial instruments and non-financial instruments to reflect the counterparty credit risk and the credit quality of the Group.
4. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.
 5. The following table shows the change of Level 3 for the years ended December 31, 2023 and 2022.

	2023 equity securities	2022 equity securities
January 1	\$ 78,815	\$ 84,277

Gain recognized in other comprehensive income or loss accounted for under unrealized valuation gain or loss on equity investments at fair value through other comprehensive income	2,306	(5,462)
December 31	<u>\$ 81,121</u>	<u>\$ 78,815</u>

6. There have been no occurrences of transfer in or out for Level 3 in 2023 and 2022.

7. The significant non-observable input value quantified information and significant non-observable input value change sensitivity analysis for the valuation model used in relation to the Level 3 fair value measurements are as follows:

	<u>Fair value on</u> <u>December 31, 2023</u>	<u>Valuation</u> <u>techniques</u>	<u>Significant</u> <u>unobservable</u> <u>inputs</u>	<u>Interval</u> <u>(weighted</u> <u>average)</u>	<u>Relationship between</u> <u>inputs and fair value</u>
Non-derivative Equity Instrument:					
Shares of non-TWSE/TPEX listed companies	\$ 81,121	Comparable TWSE/TPEX listed companies	Discount for lack of marketability	20.89%	The higher the marketability discount, the lower the fair value.
	<u>Fair value as of</u> <u>December 31, 2022</u>	<u>Valuation</u> <u>techniques</u>	<u>Significant</u> <u>unobservable</u> <u>inputs</u>	<u>Interval</u> <u>(weighted</u> <u>average)</u>	<u>Relationship between</u> <u>inputs and fair value</u>
Non-derivative Equity Instrument:					
Shares of non-TWSE/TPEX listed companies	\$ 78,815	Comparable TWSE/TPEX listed companies	Discount for lack of marketability	20.34%	The higher the marketability discount, the lower the fair value.

8. The Group carefully assesses and selects the valuation model and valuation parameters used; however, when different valuation models or valuation parameters are used, it may lead to different valuation results. For financial assets classified as Level 3, if there is a change in the valuation parameters, then the impact on profit or loss or other comprehensive income is as follows:

	<u>Inputs</u>	<u>Changes</u>	<u>2023</u> <u>Recognized as other comprehensive</u> <u>income</u>	
			<u>Favorable changes</u>	<u>Adverse</u> <u>changes</u>
Financial assets				
Equity Instrument	Discount for lack of marketability	±1%	<u>\$ 811</u>	<u>(\$ 811)</u>

		<u>2022</u>		
		<u>Recognized as other comprehensive income</u>		
	<u>Inputs</u>	<u>Changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>
Financial assets				
Equity Instrument	Discount for lack of marketability	±1%	<u>\$ 788</u>	<u>(\$ 788)</u>

XIII. Separately Disclosed Items

(I) Significant transaction information

1. Loans to others: None.
2. Provision of endorsements and guarantees to others: Please refer to Table 1.
3. Holding of marketable securities at the end of the period (not including subsidiaries, associates): Please refer to Table 2.
4. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
5. Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.
7. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 3.
8. Receivables from related parties reaching NT\$ 100 million or 20% of paid-in capital or more: Please refer to Table 4.
9. Trading in derivative instruments undertaken during the reporting periods: None.
10. Business relationships and significant intercompany transactions and amount between a parent and its subsidiary company, or between its subsidiaries: Transaction amount reaching NT\$10,000 thousand shall be disclosed in terms of assets and revenue. Please refer to Table 5.

(II) Information on Investees

Names, locations and other information of investees (not including investees in China): Please refer to Table 6.

(III) Information on Investments in China

None.

(IV) Information on main investors

Information on main investors: Please refer to Table 7.

XIV. Information on Departments

(I) General information

The Group's management has determined the reportable operating segments based on the reports reviewed by the Board of Directors are used to make strategic decisions. The Group currently focuses on the departments of construction business, building materials, and interior design.

(II) Measurement of segment information

1. The accounting policies of the reportable operating segments is in a manner consistent with the significant accounting policies provided in Note 4.
2. The Group evaluates the performance based on segment revenue and segment net operating profit (loss), instead of the segment assets.

(III) Information of departmental loss, assets, and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

<u>2023</u>	<u>Construction Business Division</u>	<u>Building Materials Division</u>	<u>Interior Decoration Design Division</u>	<u>Total</u>
External revenue	\$ 17,153,692	\$ 3,827,320	\$ 1,521,514	\$ 22,502,526
Internal departmental revenue	<u>59,485</u>	<u>160,682</u>	<u>286</u>	<u>220,453</u>
Departmental revenue	<u>\$ 17,213,177</u>	<u>\$ 3,988,002</u>	<u>\$ 1,521,800</u>	<u>\$ 22,722,979</u>
Operating net income from the department to be reported	<u>\$ 2,163,494</u>	<u>\$ 115,869</u>	<u>\$ 174,440</u>	<u>\$ 2,453,803</u>
Segment income (loss) includes:				
Depreciation expense	\$ 167,628	\$ 234,862	\$ 9,220	\$ 411,710
Amortization	<u>4,199</u>	<u>8,362</u>	<u>198</u>	<u>12,759</u>
	<u>\$ 171,827</u>	<u>\$ 243,224</u>	<u>\$ 9,418</u>	<u>\$ 424,469</u>

<u>2022</u>	<u>Construction Business Division</u>	<u>Building Materials Division</u>	<u>Interior Decoration Design Division</u>	<u>Total</u>
External revenue	\$ 20,510,198	\$ 3,010,097	\$ 1,062,772	\$ 24,583,067
Internal departmental revenue	<u>52,215</u>	<u>180,327</u>	<u>21</u>	<u>232,563</u>
Departmental revenue	<u>\$ 20,562,413</u>	<u>\$ 3,190,424</u>	<u>\$ 1,062,793</u>	<u>\$ 24,815,630</u>
Operating net income from the department to be reported	<u>\$ 2,301,560</u>	<u>\$ 15,480</u>	<u>\$ 120,783</u>	<u>\$ 2,437,823</u>
Segment income (loss) includes:				
Depreciation expense	\$ 146,990	\$ 210,562	\$ 7,904	\$ 365,456
Amortization	<u>3,866</u>	<u>8,067</u>	<u>212</u>	<u>12,145</u>
	<u>\$ 150,856</u>	<u>\$ 218,629</u>	<u>\$ 8,116</u>	<u>\$ 377,601</u>

(IV) Reconciliation for segment income (loss)

1. Sales between the operation segments of the Group are determined through price negotiation by both parties. The revenue from external parties reported to the Chief Operating Decision-Maker is measured in a manner consistent with the revenue in comprehensive income statements.
2. Reconciliation for reportable segment income (loss) and profit from continuing operations is as follows:

	<u>2023</u>	<u>2022</u>
Operating net income from the department to be reported	\$ 2,453,803	\$ 2,437,823
Adjustments and written-off	<u>321</u>	<u>1,717</u>

Total		2,454,124		2,439,540
Financial Costs	(	118,167)	(	67,126)
Interest revenue		29,340		24,732
Exchange gains (losses)	(	1,753)		12,269
Gains on disposals of real estate, plant and equipment		43		10,475
Dividend income		122,213		184,983
Others		23,847		21,802
Income before tax from continuing operations		<u>\$ 2,509,647</u>		<u>\$ 2,626,675</u>

(V) Information on products and services

External customer revenue mainly comes from the construction projects and sale of cement. The statement of the revenue balance is the same as departmental information in Note 14(3).

(VI) Geographical information

Geographical information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Income</u>	<u>Non-current assets</u>	<u>Income</u>	<u>Non-current assets</u>
Taiwan	<u>\$ 22,502,526</u>	<u>\$ 5,145,771</u>	<u>\$ 24,583,067</u>	<u>\$ 5,028,983</u>

The Group's geographical revenue was calculated based on regions in which the payments were received. Non-current assets included property, plants, and equipment, right-of-use assets, intangible assets and prepayments for business facilities, and excluded financial instruments.

(VII) Major customer information

Details of customers whose revenue of the Group accounts for more than 10% of the operating income on the consolidated statement of comprehensive income are as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Income</u>	<u>Segment</u>	<u>Income</u>	<u>Segment</u>
Customer A		Construction Business and Interior Decoration Design Divisions		Construction Business and Interior Decoration Design Divisions
	\$ 4,092,973		\$ 4,153,661	
Customer B		Construction Business Division		Construction Business Division
	991,346		3,442,588	
Customer C		Construction Business Division		Construction Business Division
	340,713		2,725,588	

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Endorsements and Guarantees for Others
January 1 to December 31 , 2023

Attached Table 1

Unit: NT\$ thousands

No. (Note 1)	Name of the company making an endorsement/guarantee	Entity for which the endorsement/guarantee is made		Maximum amount of endorsements/guarantees permitted to any single entity (Note 3)	Maximum balance of endorsements/guarantees for the current period (Note 4)	Balance of endorsements/guarantees at the end of the period (Note 5)	Actual amount drawn (Note 6)	Amount of endorsements /guarantees secured by property	Cumulative amount of endorsements/guarantees as a percentage of the net worth as stated in the latest financial statement	Maximum amount of endorsements/guarantees (Note 3)	Endorsements/ guarantees made by the parent for its subsidiaries (Note 7)	Endorsements/ guarantees made by the subsidiary company for its parent (Note 7)	Endorsement s/guarantees made for the entities in China (Note 7)	Remark
		Company name	Relations hip (Note 2)											
0	Ruentex Engineering &	Ruentex Materials Co., Ltd.	1	\$ 924,750	\$ 88,368	\$ 88,368	\$ 88,368	\$ -	1.37	\$ 1,849,500	Y	N	N	

Note 1 : The description of the number column is as follows:

- (1) Indicate " 0 " for issuer .
- (2) Investees are numbered sequentially starting from 1 according to their respective companies .

Note 2 : There are six types of relationships between the endorser/guarantor and the endorsed/guaranteed party as follows, and it suffices to indicate the type:

- (1) Companies with which they have business relationships.
- (2) Subsidiaries in which the Company directly holds more than 50% of common shares;
- (3).The companies in which the parent company and the subsidiary together hold more than 50% of its outstanding ordinary shares.
- (4).The parent company which holds, directly or indirectly through a subsidiary, more than 50% of its outstanding ordinary shares.
- (5) A company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry.
- (6) A company in which each of the capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.

Note 3: The maximum amount of endorsements/guarantees made by the Company shall not exceed 100% or more of the paid-in capital of the Company and the amount of endorsements/guarantees made by the subsidiary for any single entity shall not exceed 50% or more of the paid-in capital of the Company.

Note 4: The highest balance of the endorsement/ guarantee for others in the current year.

Note 5: As of the end of the year, when the company signed the endorsement and guarantee contract with the bank and is approved, the company assumes the endorsement or guarantee responsibilities. Other related endorsements and guarantees shall be included in the balance of the endorsements and guarantees.

Note 6 : The actual drafted amount of the endorsee/guarantee company within the range of the endorsement guarantee balance should be entered.

Note 7 : "Y" shall be entered only for the endorsements/guarantees provided by the listed parent company to a subsidiary, a subsidiary to a listed parent company, or the entities in China.

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries

Securities held at the end of the period (not including investments in subsidiaries, associates and jointly controlled entities)

December 31 , 2023

Attached Table 2

Unit: NT\$ thousands

Company holding the securities	Type and name of the securities (Note 1)	Relationship with the issuer of securities (Note 2)	Account recognized	End of the period				Remark (Note 4)
				Number of shares	Carrying amount (Note 3)	Shareholdin g percentage	Fair value	
Ruentex Engineering & Construction Co., Ltd.	Shares of Ruentex Development Co., Ltd.	The Company is a subsidiary of the company.	Financial assets at fair value through other comprehensive	9,713,457	\$ 366,684	0.34	\$ 366,684	
Ruentex Engineering & Construction Co., Ltd.	Shares of Ruentex Industries Ltd.	A company recognized using the equity method for the parent of the Company	Financial assets at fair value through other comprehensive	50,241,066	3,230,500	4.55	3,230,500	
Ruentex Engineering & Construction Co., Ltd.	Shares of OBI Pharma, Inc.	-	Financial assets at fair value through other comprehensive	260,748	18,097	0.11	18,097	
Ruentex Engineering & Construction Co., Ltd.	Shares of Save & Safe Corporation	-	Financial assets at fair value through other comprehensive	4,267,233	81,121	2.51	81,121	
Ruentex Engineering & Construction Co., Ltd.	Shares of Powertec Electrical Chemicals Corp.	-	Financial assets at fair value through other comprehensive	19,737,629	-	1.39	-	
Ruentex Engineering & Construction Co., Ltd.	Subordinated debts of Nan Shan Life Insurance	One of parent company's affiliates is a controlled company of the company.	Financial assets at amortized cost - non-current	-	500,000	-	-	
Ruentex Materials Co., Ltd.	Shares of Ruentex Industries Ltd.	A company recognized using the equity method for the parent of the Company	Financial assets at fair value through other comprehensive	7,200,236	462,975	0.65	462,975	
Ruentex Materials Co., Ltd.	Shares of OBI Pharma, Inc.	-	Financial assets at fair value through other comprehensive	117,337	8,143	0.05	8,143	
Ruentex Interior Design Inc.	Shares of Ruentex Industries Ltd.	A company recognized using the equity method for the parent of the Company	Financial assets at fair value through other comprehensive	2,598,464	167,081	0.24	167,081	

Note 1: Securities indicated in the Table refer to shares, bonds, beneficiary certificates and securities derived from the items mentioned above within the scope of IFRS No.9.

Note 2: Not required to be filled in for the issuers of securities that are not related parties.

Note 3: Please fill in the value carried at adjusted fair value less accumulated impairment losses for those measured at fair value and the value varied at acquisition cost or amortized cost less accumulated impairment losses for those not measured at fair value.

Note 4: The securities listed that are limited to their use due to the provision of security, pledge loans or others in accordance with the contract shall indicate the number of shares provided for guarantee or pledge, the amount of guarantee or pledge and the limits on the use in the in the column of "Remarks".

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Total purchase from or sale to related parties amounting to at least NT\$100 million or 20% of the paid-in capital
January 1 to December 31, 2023

Attached Table 3

Unit: NT\$ thousands

The company making the purchase (sale) of goods	Name of counterparty	Relationship	Transaction conditions				Difference between the terms and conditions of transaction and the general type of transaction and the reason for any such difference (Note 1)		Notes receivable/payable and accounts receivable/payable and accounts		Remark (Note 2)
			Purchase (sale) of goods	Amount	of total purchases (sales) of goods	Credit period	Unit price	Credit period	Balance	receivable/payable and accounts	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd.	The company is a parent of the Company.	Contract of construction	\$ 3,680,120	21.45	The amount shall be collected in accordance with the term of the construction contract	Negotiated price	The amount shall be collected in accordance with the term of the construction contract	\$ 416,150	14.26	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Innovative Development Co. Ltd.	The company is a fellow subsidiary of the Company.	Contract of construction	1,111,120	6.48	The amount shall be collected in accordance with the term of the construction contract	Negotiated price	The amount shall be collected in accordance with the term of the construction contract	105,142	3.60	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Construction International Co., Ltd.	The company is a fellow subsidiary of the Company.	Contract of construction	214,567	1.25	The amount shall be collected in accordance with the term of the construction contract	Negotiated price	The amount shall be collected in accordance with the term of the construction contract	28,388	0.97	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Xing Co., Ltd.	Other related party (its director is the representative of the juridical person director of the Company)	Contract of construction	211,051	1.23	The amount shall be collected in accordance with the term of the construction contract	Negotiated price	The amount shall be collected in accordance with the term of the construction contract	32,785	1.12	
Ruentex Materials Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	The company is a subsidiary of the Company.	Sales of goods / Contract of construction	151,752	3.81	The amount shall be collected in accordance with the term of the construction/sales contract	Negotiated price	The amount shall be collected in accordance with the term of the construction/sales contract	32,087	3.88	
Ruentex Interior Design Inc.	Ruentex Development Co., Ltd.	The company is a parent of the Company.	Sales of goods / Contract of construction	350,667	23.04	The amount shall be collected in accordance with the term of the construction/services/sales contract	Negotiated price	The amount shall be collected in accordance with the term of the construction/services/sales contract	51,451	11.05	
Ruentex Interior Design Inc.	Ruentex Innovative Development Co. Ltd.	The company is a fellow subsidiary of the Company.	Contract of construction	295,611	19.43	The amount shall be collected in accordance with the term of the construction contract	Negotiated price	The amount shall be collected in accordance with the term of the construction contract	146,567	31.46	

Note 1: If the terms and conditions of transaction with the related parties are different from the general terms and conditions of transaction, the difference and the reason for any such difference shall be specified in the column of unit price and the credit period.

Note 2: In the case of prepayments in advance (or advance receipts), the reasons, the terms and conditions of the contract, the amount and the difference between the general type of transactions shall be specified in the column of Remarks.

Note 3: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Note 4: Calculate from the perspective of the entity of the company making the purchase (sale) of goods.

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Accounts receivable due from related parties amounting to at least \$100 million or 20% of the paid-in capital
December 31 , 2023

Attached Table 4

Unit: NT\$ thousands

The company recognized as receivables	Name of counterparty	Relationship	Balance of accounts receivable due from related parties (Note 1)	Turnover	Overdue accounts receivable due from related parties		Recovered amount in subsequent periods for accounts receivable due from related parties	Provision for allowance for bad debts	Remar k
					Amount	Approach to handling			
Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd.	The Company is a subsidiary of the company.	\$ 416,150	16.61	\$ -	-	\$ 416,150	\$ -	-
Ruentex Engineering & Construction Co., Ltd.	Ruentex Innovative Development Co. Ltd.	The Company is a fellow subsidiary of the company.	105,142	21.14	-	-	105,142	-	-
Ruentex Interior Design Inc.	Ruentex Innovative Development Co. Ltd.	(A subsidiary of the ultimate parent company of the Company)	146,567	4.03	-	-	139,239	-	-

Note 1: Please fill in the value separately according the accounts receivable, notes receivable and other receivables.

Note 2: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Business relationships and significant intercompany transactions and amount between a parent and its subsidiary company, or between its subsidiaries
January 1 to December 31, 2023

Attached Table 5

Unit: NT\$ thousands

No. (Note 1)	Name of the transaction party	Transaction counterparty	Relationship with the transaction party (Note 2)	Transaction information			As a percentage of the consolidated total operating revenue or total assets (Note 3)
				Account	Amount	Terms and conditions of transaction	
0	Ruentex Engineering & Construction Co., Ltd.	Ruentex Materials Co., Ltd.	1	Service revenue	\$ 21,984	Processed based on the general terms and conditions	0.10%
1	Ruentex Materials Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	2	Sales revenue	136,259	Processed based on the general terms and conditions	0.61%
	Ruentex Materials Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	2	Construction contract revenue	15,493	Processed based on the general terms and conditions	0.07%
	Ruentex Materials Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	2	Receivable	32,087	Processed based on the general terms and conditions	0.15%
2	Ruen Yang Construction Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	2	Construction contract revenue	34,073	Processed based on the general terms and conditions	0.15%

Note 1: The information about business transactions between the parent and the subsidiary shall be indicated in the column of No. respectively. Details on how to filled in No. are as follows:

- (1) Indicate " 0 " for the parent company .
- (2) Subsidiaries are numbered sequentially starting from 1 according to the company type.

Note 2 : There are three types of relationship with the transaction party as follows, and the type is sufficient (if it is the same transaction between parent company and subsidiaries or between subsidiaries, it is not necessary to repeat the disclosure. For example, in the case of the transaction between the parent or its subsidiary, if the parent has disclosed the information, the subsidiary is not required to make a duplicate disclosure; and in the case of the transaction between subsidiaries, if one of the subsidiaries has disclosed the information, the other subsidiary is not required to make a duplicate disclosure.):

- (1) From parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: The transaction amount as a percentage of the consolidated total operating revenue or total assets shall be calculated at the balance at the end of period as a percentage of the consolidated total assets for assets or liabilities items, and the interim cumulative amount as a percentage of the consolidated total operating revenue for profits or losses items.

Note 4: Transactions amounting to NT\$10,000 shall be disclosed. The information shall be also disclosed from the asset side and revenue side.

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
The name of the invested company, the location and other relevant information (excluding the invested companies in China)
January 1 to December 31, 2023

Attached Table 6

Unit: NT\$ thousands

Name of the investing company	Name of the investee company (Notes 1 and 2)		Main business items	Original investment amount		Holding at the end of period			and loss of the investee company	on investment recognized for the current period	Remark
	Location			of the current period	End of last year	Shares	Percentage	Carrying amount			
Ruentex Engineering & Construction Co., Ltd.	Ruentex Materials Co., Ltd.	Taiwan	Building materials production and	\$ 695,548	\$ 695,548	58,726,917	39.15	\$ 840,729	\$ 114,983	\$ 45,017	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Design and Construction of	82,365	82,365	2,745,483	20.34	101,107	148,069	30,113	
Ruentex Engineering & Construction Co., Ltd.	Ruen Yang Construction Co., Ltd.	Taiwan	Civil Engineering Projects	5,408	5,408	600,000	100.00	6,056	1,666	1,666	
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Design and Construction of	126,721	126,721	4,750,000	35.19	174,927	148,069	52,098	

Note 1: For public companies with an overseas holding company and a consolidated financial report as its principal financial report according to the local laws and regulations must disclose only related information to that holding company, which is an overseas investee.

Note 2: Those who do not fall under the circumstances described in Note 1 shall be filled in according to the following rules:

(1) The columns of "Investee," "Location," "Main business items," "Original investment amount" and "Ownership, end of the period" shall be filled out based on the (public) Company's investment status and the investment situation of each investee directly or indirectly controlled in order, and the relationship between each investee and the (public) Company (e.g., a subsidiary or a sub-subsidiary) shall be indicated in the remarks column.

(2) In the column "Current profit or loss on investee," the amount of current profit or loss on each investee shall be entered.

(3) In the column "Investment gains and losses recognized in the current period," only the amount of profit or loss on each subsidiary recognized by the (public) Company as direct investment and on each investee measured by the equity method shall be entered, and the rest is not required to be entered. When filling in the "Recognized amount of current profit or loss on each subsidiary directly invested," it shall be confirmed that the amount of the current profit or loss on each subsidiary has included the investment gains and losses that shall be recognized in accordance with the regulations for its investment.

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Information on main investors
December 31 , 2023

Attached Table 7

Unit: Shares

Name of Major Shareholders	Shares	
	Number of shares held	Shareholding percentage
Ruentex Development Co., Ltd.	72,397,456	39.14
Ruentex Industries Ltd. Co.	16,821,685	9.09
Yi Tai Investment Co., Ltd.	13,785,607	7.45
Yingjia Investment Co., Ltd.	11,558,690	6.24

【Appendix B】

Ruentex Engineering & Construction Co., Ltd.
Unconsolidated Financial Statements and Report of Independent
Accountants
2023 and 2022
(Stock Code: 2597)

Company Address: 10F., No. 308, Sec. 2, Bade Rd., Taipei City
Telephone: (02) 8161-9999

Independent Auditors' Report

(2024) Cai-Shen-Bao-Zi No. 23004578

Ruentex Engineering & Construction Co., Ltd.:

We have audited the accompanying financial statements of Ruentex Engineering & Construction Co., Ltd. (the Company), which comprise the unconsolidated balance sheets as of December 31, 2023 and 2022 and the unconsolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of the Ruentex Engineering & Construction as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Ruentex Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that sufficient and appropriate audit evidences have been obtained as a basis to express opinion of the audit.

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the Company for the year ended December 31, 2023. These matters were addressed in the context of our audit opinion of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we

do not provide a separate opinion on these matters.

Key audit matters for the Ruentex Engineering & Construction's unconsolidated financial statements for the year ended December 31, 2023 are stated as follows:

Assessment on Recognition of Construction Contract Income - Construction Completion Progress

Description of Key Audit Matters

For the year of 2023, Ruentex Engineering & Construction Group's construction contract revenue was NT\$17,130,098 thousand, representing 99.83% of standalone operating revenue. Please see Note 4(26) for accounting policies on revenue recognition, Note 5(2) for critical accounting estimates and assumptions and Note 6(21) for details of significant accounts.

The Ruentex Engineering & Construction of construction contract income of Ruentex Engineering & Construction was calculated based on the percentage of completion method and according to the completion progress during the construction contract period. The construction progress was calculated based on the percentage of the cost incurred for each construction contract up to the end of the financial report period over the expected total cost for such construction contract. The aforementioned estimation of the expected total cost was provided by Ruentex Engineering & Construction based on its estimation on various construction costs required for contracting works and material/labor expenses etc. according to the quantitative units of building structural drawings etc. of owners along with the fluctuation of the Current market price at that time.

Since the estimation of construction total cost can affect the recognition of construction completion progress and the construction contract income, and since the construction total cost items are complicated and often involving high degree of estimation, such that it can cause major uncertainty, consequently, we've considered listing the assessment on the construction completion progress used in the recognition of construction contract income as one of the key matters in this year's audit.

Corresponding Audit Procedures

We summarize the audit procedures executed for the aforementioned key audit matters related to construction completion progress as follows:

1. Based on our understanding of the business operation and nature of industry of Ruentex Engineering & Construction, we assessed the internal operation procedures used in the estimation of construction total cost, including the quantitative unit of building structural drawings of owners in order to determine the procedures for each construction cost (contracting works and material/labor expense) and the consistency of the estimation method.
2. We assessed and tested the internal controls that would affect the recognition of construction contract revenue based on stage of completion, including verifying the evidence of additional or less work and significant constructions.
3. We conducted on-site observation and interviews at major construction sites still in progress at the end of the sampling period to confirm that the progress of such projects was proceeding as scheduled.
4. We obtained details of construction profit or loss and performed substantive procedures, including randomly checking the incurred cost of current period with the appropriate evidence, and additional or less work with the supporting documents, and recalculated the stage of completion to ensure a reasonable recognition of construction contract revenue.

Accuracy of Time for Recognition of Construction Cost

Description of Key Audit Matters

Please see Note 4(26) for accounting policies on the recognition of construction costs.

The construction cost of each construction project of Ruentex Engineering & Construction already incurred at the end of financial report period was estimated and Ruentex Engineering & Construction according to the construction progress and the acceptance result. Such process of construction cost Ruentex Engineering & Construction often involves whether each project construction personnel performs the acceptance and pricing operation according to the actual construction result, and difference in the time for Ruentex Engineering & Construction the construction cost due to failure to perform such works properly can have significant impact on the presentation of financial statements. Consequently, during the Ruentex Engineering & Construction of construction cost, we considered and listed the accuracy of time for Ruentex Engineering & Construction of construction cost as one of the key audit matters.

Corresponding Audit Procedures

We summarize the audit procedures executed for the aforementioned key audit matters as follows:

1. We conducted understanding and tested on the process adopted by the management in the recognition of construction cost to verify that it had been performed according to the internal control operation of the Company, including that the construction personnel had performed acceptance according to the construction result and had submitted to the accounting department to perform account entry after the confirmation of the responsible supervisors.
2. We performed the cut-off test on the construction cost incurred for a certain period before and after the end of the financial report period, including the verifying the acceptance record, verifying the accuracy of the calculation of construction pricing, confirming that the construction cost incurred had been recorded at the appropriate period.

Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, the management is responsible for assessing Ruentex Engineering & Construction's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Ruentex Engineering & Construction or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing Ruentex Engineering & Construction's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error,

and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatement may be caused by fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with the auditing standards in the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. Also:

1. Identify and assess the risk of material misstatement of the unconsolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidences in order to be used as the basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ruentex Engineering & Construction's internal control.
3. We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Ruentex Engineering & Construction's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Ruentex Engineering & Construction to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of Ruentex Engineering & Construction and provide opinions on its respective unconsolidated financial statements. We handle the guidance, supervision and execution of the audit on the Company and are responsible for preparing the audit opinion for the Company.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control that we identify during our audit).

We also provide the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters, including relevant protective measure, that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of the most significance in the audit of the unconsolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Chin-lien Huang

CPA

Shu-chiung Chang

Financial Supervisory Commission

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No. No.
1100348083

Former Financial Supervisory Commission, Executive Yuan

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No. No.
0990042602

March 13, 2024

Ruentex Engineering & Construction Co., Ltd.
Unconsolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ thousands

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 604,607	4	\$ 1,719,412	11
1140	Contract asset - current	6(21) and 7	4,542,730	29	5,164,420	33
1150	Net bills receivable	6(2)	835,215	5	413,590	3
1160	Bills receivable - related parties - net	6(2) and 7	53,949	-	-	-
1170	Net Accounts Receivable	6(2)	1,499,091	10	1,023,446	6
1180	Accounts receivable - related parties - net	6(2) and 7	530,440	4	30,428	-
1200	Other receivables		985	-	1,150	-
1210	Other Receivables - related party	7	10,039	-	9,375	-
130X	Inventories	6(3)	21,501	-	16,290	-
1410	Prepayments	6(4) and 7	346,574	2	381,729	2
1470	Other Current Assets	6(1) and 8	551,595	4	495,233	3
11XX	Total current assets		<u>8,996,726</u>	<u>58</u>	<u>9,255,073</u>	<u>58</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(5) and 7	3,696,400	24	3,829,288	24
1535	Amortized cost financial Assets - non-current	6(6)				
	Current		500,000	3	500,000	3
1550	Investments accounted for using equity method	6(7)	947,892	6	906,823	6
1600	Property, plant, and equipment	6(8)	360,657	2	308,291	2
1755	Right-of-use assets	6(9) and 7	927,173	6	934,801	6
1780	Intangible Assets	6(10)	33,261	-	32,190	-
1840	Deferred tax Assets	6(29)	93,531	1	95,254	1
1900	Other non-current Assets		9,044	-	44,132	-
15XX	Total non-current assets		<u>6,567,958</u>	<u>42</u>	<u>6,650,779</u>	<u>42</u>
1XXX	Total Assets		<u>\$ 15,564,684</u>	<u>100</u>	<u>\$ 15,905,852</u>	<u>100</u>

(Continued)

Ruentex Engineering & Construction Co., Ltd.
Unconsolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ thousands

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			A m o u n t	%	A m o u n t	%
Current liabilities						
2100	Short-term borrowings	6(11)	\$ -	-	\$ 2,289,000	14
2110	Short-term bills payable	6(12)	99,996	1	569,515	4
2130	Contract liabilities - current	6(21) and 7	2,153,720	14	979,793	6
2150	Notes payable		678,972	4	890,728	6
2160	Notes payable - related party	7	10,672	-	12,785	-
2170	Accounts Payable		2,085,119	13	2,274,730	14
2180	Accounts payable - related party	7	26,093	-	34,091	-
2200	Other payables	6(13)	618,820	4	566,746	4
2230	Income tax liabilities of current period		429,821	3	469,696	3
2280	Lease liabilities - current	6(9) and 7	82,668	1	76,971	-
2320	Long-term liabilities due within one year or one operating cycle	6(14)	75,000	-	-	-
2399	Other current liabilities - other		6,794	-	8,630	-
21XX	Total Current Liabilities		<u>6,267,675</u>	<u>40</u>	<u>8,172,685</u>	<u>51</u>
Non-current liabilities						
2540	Long-term borrowings	6(14)	1,725,000	11	-	-
2570	Deferred income tax liabilities	6(29)	13,939	-	13,939	-
2580	Lease liabilities - non-current	6(9) and 7	851,334	5	860,450	6
2600	Other non-Current liabilities	6(15)(16)	237,482	2	326,297	2
25XX	Total Non-Current Liabilities		<u>2,827,755</u>	<u>18</u>	<u>1,200,686</u>	<u>8</u>
2XXX	Total Liabilities		<u>9,095,430</u>	<u>58</u>	<u>9,373,371</u>	<u>59</u>
Equity						
Capital		6(17)				
3110	Share capital		1,849,500	12	1,849,500	12
Capital surplus		6(18)				
3200	Capital surplus		779,399	5	779,348	5
Retained earnings		6(19)				
3310	Legal reserve		742,207	5	535,418	3
3350	Undistributed earnings		1,931,635	12	2,077,092	13
Other equities		6(20)				
3400	Other equities		1,166,513	8	1,291,123	8
3XXX	Total Equity		<u>6,469,254</u>	<u>42</u>	<u>6,532,481</u>	<u>41</u>
Significant contingent liabilities and		9				

The attached unconsolidated financial statement and notes are parts of this unconsolidated financial report, please refer to them all together.

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd.
Unconsolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ thousands

	unrecognized contractual commitments					
	Significant subsequent events	11				
3X2X	Total Liabilities and Equity		<u>\$ 15,564,684</u>	<u>100</u>	<u>\$ 15,905,852</u>	<u>100</u>

The attached unconsolidated financial statement and notes are parts of this unconsolidated financial report, please refer to them all together.

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd.
Unconsolidated Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands
(Except earnings per share, which is in NT\$)

Item	Notes	2023		2022	
		A m o u n t	%	A m o u n t	%
4000 Operating Revenue	6(21) and 7	\$ 17,158,980	100	\$ 20,520,949	100
5000 Operation cost	6(3)(10) (22) (27) and 7	(14,317,652)	(83)	(17,555,188)	(86)
5900 Gross profit		2,841,328	17	2,965,761	14
5920 Realized sale gains	6(7)	1,107	-	1,107	-
5950 Net gross operating profit		2,842,435	17	2,966,868	14
Operating Expenses	6(10)(27) and 7				
6100 Selling expenses		(76,866)	(1)	(58,682)	-
6200 General & administrative expenses		(569,469)	(3)	(576,442)	(3)
6300 R&D expenses		(34,608)	-	(31,629)	-
6450 Expected credit impairment losses	6(27) and 12(2)	(71)	-	(235)	-
6000 Total Operating Expenses		(681,014)	(4)	(666,988)	(3)
6900 Operating Profit		2,161,421	13	2,299,880	11
Non-operating Income and Expenses					
7100 Interest revenue	6(6)(23) and 7	25,461	-	22,308	-
7010 Other income	6(5)(24)	120,729	1	174,420	1
7020 Other gains and losses	6(25)	(613)	-	18,561	-
7050 Financial Costs	6(9)(26) and 7	(53,861)	-	(26,451)	-
7070 Share of other comprehensive gains and losses of subsidiaries, affiliates and joint ventures recognized using the Equity method	6(7)	76,796	-	37,122	-
7000 Total non-operating income and expenses		168,512	1	225,960	1
7900 Net profit before tax		2,329,933	14	2,525,840	12
7950 Income tax expense	6(29)	(427,732)	(3)	(465,311)	(2)
8200 Net income of current period		\$ 1,902,201	11	\$ 2,060,529	10
Other comprehensive income (net)					
Items not to be reclassified into profit or loss					
8311 Remeasurements of defined benefit plans	VI(7) (16)	\$ 10,844	-	\$ 9,115	-
8316 Unrealized profit or loss on equity investments at fair value through other comprehensive	6(20)	(124,610)	(1)	(553,228)	(3)

The attached unconsolidated financial statement and notes are parts of this unconsolidated financial report, please refer to them all together.

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd.
Unconsolidated Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands
(Except earnings per share, which is in NT\$)

	income				
8349	Income tax relating to non-reclassified items	6(29)	(2,213)	-	(1,757) -
8310	Total of items not to be reclassified into profit or loss		(115,979)	(1)	(545,870) (3)
8500	Total comprehensive income for the current period		<u>\$ 1,786,222</u>	<u>10</u>	<u>\$ 1,514,659</u> <u>7</u>
	Earnings per share	6(30)			
9750	Basic earnings per share		<u>\$ 10.28</u>		<u>\$ 11.14</u>
9850	Diluted earnings per share		<u>\$ 10.27</u>		<u>\$ 11.13</u>

The attached unconsolidated financial statement and notes are parts of this unconsolidated financial report, please refer to them all together.

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd.
Individual Equity Statement
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	Capital surplus				Retained earnings		Unrealized financial assets at fair value through other comprehensive income acquired	Income (Loss)	Total
		Share capital	Issued at premium	Difference between the equity price and the book value of acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Capital surplus - others	Legal reserve				Undistributed earnings
<u>2022</u>										
Balance on January 1, 2022		\$ 1,849,500	\$ 520,455	\$ 18,858	\$ 234,133	\$ -	\$ 350,043	\$ 1,859,130	\$ 1,843,966	\$ 6,676,085
Net income of current period		-	-	-	-	-	-	2,060,529	-	2,060,529
Other comprehensive income	6(20)	-	-	-	-	-	-	7,358	(553,228)	(545,870)
Total comprehensive income for this period		-	-	-	-	-	-	2,067,887	(553,228)	1,514,659
Appropriation and distribution of the earnings for 2021	6(19)									
Legal reserve		-	-	-	-	-	185,375	(185,375)	-	-
Cash dividends		-	-	-	-	-	-	(1,664,550)	-	(1,664,550)
Disposal of equity in subsidiaries (without losing control)	6(7)	-	-	5,902	-	-	-	-	385	6,287
Balance on December 31, 2022		\$ 1,849,500	\$ 520,455	\$ 24,760	\$ 234,133	\$ -	\$ 535,418	\$ 2,077,092	\$ 1,291,123	\$ 6,532,481
<u>2023</u>										
Balance on January 1, 2023		\$ 1,849,500	\$ 520,455	\$ 24,760	\$ 234,133	\$ -	\$ 535,418	\$ 2,077,092	\$ 1,291,123	\$ 6,532,481
Net income of current period		-	-	-	-	-	-	1,902,201	-	1,902,201
Other comprehensive income	6(20)	-	-	-	-	-	-	8,631	(124,610)	(115,979)
Total comprehensive income for this period		-	-	-	-	-	-	1,910,832	(124,610)	1,786,222
Appropriation and distribution of the earnings for 2022	6(19)									

The attached unconsolidated financial statement and notes are parts of this unconsolidated financial report, please refer to them all together.

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd.
Individual Equity Statement
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

Notes	Capital surplus					Retained earnings		Unrealized financial assets at fair value through other comprehensive income acquired	Total
	Share capital	Issued at premium	Difference between the equity price and the book value of acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Capital surplus - others	Legal reserve	Undistributed earnings			Income (Loss)
Legal reserve	-	-	-	-	-	206,789	(206,789)	-	-
Cash dividends	-	-	-	-	-	-	(1,849,500)	-	(1,849,500)
Changes of other capital reserves:	-	-	-	-	51	-	-	-	51
Balance on December 31, 2023	<u>\$ 1,849,500</u>	<u>\$ 520,455</u>	<u>\$ 24,760</u>	<u>\$ 234,133</u>	<u>\$ 51</u>	<u>\$ 742,207</u>	<u>\$ 1,931,635</u>	<u>\$ 1,166,513</u>	<u>\$ 6,469,254</u>

The attached unconsolidated financial statement and notes are parts of this unconsolidated financial report, please refer to them all together.

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd.
Individual Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2 0 2 3 _	2 0 2 2 _
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 2,329,933	\$ 2,525,840
Adjustments			
Income and expenses with no cash flow effects			
Realized sale gains	6(7)	(1,107)	(1,107)
Realized gains from disposal of assets	6(7)	-	(1,397)
Expected credit impairment losses	6(27) and 12(2)	71	235
Investment income or loss from investment accounted for using equity method	6(7)	(76,796)	(37,122)
Depreciation expense	6(8)(9) (27)	167,543	146,903
Amortization	6(10)(27)	4,199	3,866
Interest revenue	6(23)	(25,461)	(22,308)
Dividend income	6(24)	(102,616)	(153,511)
Gains on write-off of accounts payable past due	6(24)	(13,222)	(878)
Other income		(2,195)	(16,767)
Gains on disposals of real estate, plant and equipment	6(25)	(43)	(10,475)
Interest Cost	6(26)	53,861	26,451
Prepaid equipment transferred to R&D expenses	6(31)	1,087	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contractual assets - Current		621,690	(2,037,466)
Notes receivable		(421,625)	650,189
Notes Receivable – related party		(53,949)	5,713
Accounts receivable		(475,716)	(317,959)
Accounts receivable - related party		(500,012)	210,943
Other receivables		105	(232)
Other receivables - related Party		(664)	(195)
Inventories		(5,211)	(2,439)
Prepayments		35,155	(42,138)
Other Current Assets		(15,474)	5,953
Net change in liabilities related to operating activities			
Contract liabilities - current		1,085,653	(108,657)
Notes payable		(211,756)	157,587
Notes Payable – related Party		(2,113)	37
Accounts Payable		(176,355)	562,550
Accounts Payable – related Party		(7,998)	21,032
Other payables		57,234	18,218
Other non-Current liabilities		4,214	26,100
Other Current liabilities		(1,836)	1,510
Cash flow in from operating		2,266,596	1,610,476
Interest received		25,521	21,719
Dividends received		136,714	167,239
Interest paid		(56,457)	(23,142)

Ruentex Engineering & Construction Co., Ltd.
Individual Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2 0 2 3 _	2 0 2 2 _
Income tax paid		(468,097)	(351,722)
Cash inflow from operating activities		1,904,277	1,424,570

(Continued)

Ruentex Engineering & Construction Co., Ltd.
Individual Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2 0 2 3 _	2 0 2 2 _
<u>Cash flows from investing activities</u>			
Decrease (increase) in other financial assets - current		(\$ 37,644)	\$ 45,263
Share capital returned from capital reduction in financial assets at fair value through other comprehensive income	6(5)	10,793	-
Acquisition of financial Assets at fair value through other comprehensive income acquired - non-Current	6(5)	-	(1,221,819)
Real estate, plant and equipment acquired	6(8)	(127,483)	(92,302)
Disposal the payment of real estate, plants, and equipment		109	17,144
Acquisition of intangible assets	6(10)	(5,270)	(6,832)
Increase in prepayments for equipment		(100)	(5,598)
Decrease (increase) in refundable deposits		<u>26,346</u>	<u>(34,017)</u>
Cash used in investing activities		<u>(133,249)</u>	<u>(1,298,161)</u>
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term borrowings	6(32)	(2,289,000)	1,889,000
Increase (decrease) in short-term notes and bills payable	6(32)	(470,000)	300,000
Amount of long-term borrowings	6(32)	1,800,000	-
Principal elements of lease payments	6(32)	(83,772)	(73,953)
Increase in guarantee deposits	6(32)	6,388	89,373
Cash dividends paid	6(19)	(1,849,500)	(1,664,550)
Changes of other capital reserves:		<u>51</u>	<u>-</u>
Net cash generated from (used in)		<u>(2,885,833)</u>	<u>539,870</u>

The attached unconsolidated financial statement and notes are parts of this unconsolidated financial report, please refer to them all together.

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd.
Individual Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2 0 2 3 _	2 0 2 2 _
financing activities			
Increase (decrease) of cash and cash equivalents –			
current period		(1,114,805)	666,279
Cash and cash equivalents, beginning of period		1,719,412	1,053,133
Cash and cash equivalents, end of period		\$ 604,607	\$ 1,719,412

The attached unconsolidated financial statement and notes are parts of this unconsolidated financial report, please refer to them all together.

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd.
Notes to Financial Statements
2023 and 2022

Unit: NT\$ thousands
(Except as Otherwise Indicated)

I. History and Organization

1. Ruentex Engineering & Construction Co., Ltd. (hereinafter referred to as “the Company”) was formerly known as the PING HUEI CONSTRUCTION INC. established in November 1975. In April 2006, Ruen-An Mechanical & Electrical Engineering, Co., Ltd. and Ruentex Engineering & Construction Co., Ltd. merged. The Company is the surviving company and in December of the same year, the name was changed to Ruentex Engineering & Construction Co., Ltd.
2. After going through the first capital increase, as of December 31, 2023, the Company’s paid-in capital was NT\$1,849,500 with face value per share at NT\$10. There are a total of 184,950,000 shares and all shares are issued as common stock. Of which, Ruentex Development Co., Ltd. owns 39.14% of the Company’s equity.
3. The main businesses of the Company are: (1) Contract of construction and civil engineering, (2) Electrical and mechanical engineering, water supply engineering, and refrigeration and air-conditioning engineering services, (3) Manufacture and sale of beams, columns, floor slabs, exterior walls, and building structural components, (4) Planning, design, and consultancy for precast and civil engineering, (5) Distribution and import-export trading business for all preceding materials and equipment.
4. The Company has been listed for trading on the Taipei Stock Exchange (TWSE) since March 26, 2010.

II. Date and Procedure for Approval of Financial Statements

The unconsolidated financial statements were authorized for issuance by the Company’s board of directors on March 13, 2024.

III. Application of New Standards, Amendments and Interpretations

- (I) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRSs”) as endorsed and issued by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed and issued by FSC effective from 2023 are as follows:

<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023
Amendments to IAS 12 - “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023

Amendments to IAS 12, “Deferred taxes arising from OECD Pillar Two model rules” May 23, 2023

The above standards and interpretations have no significant impact to the Company’s financial condition and operating result based on the Company’s assessment.

(II) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRSs”) as endorsed by FSC

New standards, interpretations and amendments endorsed by FSC effective from 2024 are as follows:

<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
Amendments to IFRS 16, “Lease Liability in a Sale and Leaseback”	January 1, 2024
Amendment to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7, “Supplier finance arrangements”	January 1, 2024

(III) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by the International Accounting Standards Board (IASB)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 - “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
Amendments to IAS No. 21 “Lack of Convertibility”	January 1, 2025

The above standards and interpretations have no significant impact to the Company’s financial condition and operating result based on the Company’s assessment.

IV. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Compliance statement

The unconsolidated financial statements were prepared in accordance with the 'Regulations Governing the Preparation of Financial Reports by Securities Issuers'.

(II) Basis of preparation

1. Except for the following items, these unconsolidated financial statements have been prepared under the historical cost convention:
 - (1) Financial assets at fair value through other comprehensive income.
 - (2) Defined benefit liabilities recognized based on the net amount of pension fund Assets less present value of defined benefit obligation.

2. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the unconsolidated financial statements are disclosed in Note 5.

(III) Foreign currency translation

Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The unconsolidated financial statements are presented in “NT dollars”, which is the Company’s functional currency.

1. Foreign currency translation and balances

- (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (2) Monetary Assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (3) Non-monetary Assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary Assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date. Their translation differences are recognized in other comprehensive income. However, non-monetary Assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (4) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of income within “other gains and losses”.

(IV) Classification of Current and non-Current items

1. Assets that meet one of the following criteria are classified as Current Assets:

- (1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (2) Assets held mainly for trading purposes;
- (3) Assets that are expected to be realized within 12 months from the balance sheet date;
- (4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than 12 months after the balance sheet date.

Assets that do not meet the above criteria are classified as non-Current assets.

2. Liabilities that meet one of the following criteria are classified as Current liabilities:

- (1) Liabilities that are expected to be settled within the normal operating cycle;

- (2) Assets held mainly for trading purposes;
- (3) Liabilities that are to be settled within 12 months from the balance sheet date;
- (4) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Liabilities that do not meet the above criteria are classified as non-Current liabilities.

- 3. The operating cycles of construction contracts are usually longer than one year, so assets and liabilities in relation to operation and long-term construction contracts are classified as current or non-current according to the length of their operating cycles.

(V) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(VI) Financial Assets at fair value through other comprehensive income acquired

- 1. It refers to an irrevocable choice made during the initial recognition, and the fair value change of the equity tool investment not held for trading is listed in the other comprehensive income.
- 2. On a regular way purchase or sale basis, financial Assets at fair value through comprehensive income are recognized and derecognized using settlement date accounting.
- 3. The Company initially recognized the financial Assets at fair value through profit or loss are initially recognized at fair value, and subsequently, they were measured and stated at fair value:

The fair value change of equity tool is recognized under the other comprehensive income, and during the derecognition, the cumulative profit or loss previously recognized under the other comprehensive income should not be re-categorized into income, but should be listed under the retained earnings. When the right for dividend receipts is confirmed, the economic benefit related to the dividend may be received as income, and when the dividend amount can be reliably measured, the Company then recognizes it as dividend income.

(VII) Financial assets at amortised cost

- 1. Refer to financial Assets satisfying the following criteria at the same time:
 - (1) Financial Assets held under the operating model for the purpose of receiving contractual cash flows.
 - (2) Where contract terms of such financial Assets generated cash flow of specific date, and it is completely for the payment of the interest of principle and external circulating principle amount.
- 2. On a regular way purchase or sale basis, the Company recognizes or derecognizes financial Assets at amortized cost by using settlement date accounting.
- 3. During the initial recognition the Company calculated the transaction cost measurement at fair value, and subsequently adopted the effective interest rate method to recognize the interest income according to the amortization procedure during the circulation period, and to recognize the impairment loss. In addition, during the derecognition, the gain or loss was recognized in the income or loss.

(VIII) Notes and accounts receivable

1. Refer to accounts and notes to be received due to transfer of commodities or labors already performed unconditionally in exchange for the right for consideration amount according to the contract terms.
2. However, short-term notes and accounts receivable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(IX) Impairment of financial assets

The Company assesses the financial Assets at amortized cost at each balance sheet date, and after considering all reasonable and evidentiary information (including prospective information), measure the loss allowance according to the 12-month expected credit loss for the financial Assets without significant increase of credit risk after the initial recognition. For the financial Assets with credit risk already increased significantly after the initial recognition, loss allowance is measured according to the expected credit loss amount during the existence period. For the accounts receivable or contract Assets without material financial composition, the loss allowance is measured according to the expected credit loss during the existence period.

(X) Derecognition of financial assets

The Company derecognizes a financial asset when one of the following conditions is met:

1. The contractual rights to receive the cash flows from the financial asset expire.
2. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
3. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(XI) Inventories

The inventory is measured based on the cost and net realizable value, whichever is lower, and determined using the weighted average approach. The cost of finished goods and work-in-progress includes raw materials, direct labor, other direct costs, and production-related manufacturing expenses but does not include borrowing costs. Comparing the cost and the net realizable value to see which is lower, the item-by-item comparison approach is adopted. The net realizable value refers to the balance of the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(XII) Investment using the equity method/Subsidiaries

1. Subsidiaries are all entities (including structural entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
2. Unrealized profit (loss) occurred from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
3. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in

profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.

4. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", profit (loss) of the Current period and other comprehensive income in the unconsolidated financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the unconsolidated financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statement.

(XIII) Property, plant, and equipment

1. Property, plant and equipment are recorded at acquisition cost, and the interest is capitalized over the acquisition and construction period.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
3. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of real estate, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
4. The Assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the Assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the Assets' future economic benefits embodied in the Assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3 years ~ 60 years
Machinery and equipment	2 years ~ 18 years
Transportation equipment	3 years ~ 7 years
Office equipment	2 years ~ 6 years
Leased assets	5 years
Leasehold improvements	5 years ~ 10 years
Miscellaneous equipment	2 years ~ 10 years

(XIV) Lessees' lease transactions - right-of-use assets/lease liabilities

1. The lease assets are recognized as the right-of-use assets and lease liabilities on the date availed to the Company. If the lease contracts are short-term lease or low-value underlying asset lease, the lease payments are recognized as expenses during the lease terms with the straight line method.

2. From the starting date of lease, the lease liabilities are recognized at the current values of the unpaid lease payments discounted with the Company's incremental lending rate; the lease payments include the fixed payments deducting the receivable lease incentives. Subsequently, they are measured at the amortized costs based on the interest method, and recognized as the interest expenses during the lease terms. Shall the lease terms or lease payments change due to the non-contractual modifications, the lease liabilities will be measured again, and the re-measurements will be used to adjust the right-of-use assets.
3. The right-of-use assets are recognized as the costs on the starting date of leases. The costs include the original measured amount of the lease liabilities. Subsequently, they are measured at the costs; the depreciation expenses are recognized at the end of useful lives, or the expiry of the lease terms, whichever is earlier. Shall the lease liabilities be reassessed, the right-of-use assets will adjust any re-measurement of the lease liabilities.

(XV) Intangible Assets

1. Patent right

It is the royalty paid to obtain operation and professional technology recognized in acquisition cost and amortized on a straight-line basis over the estimated useful life of 10-20 years.

2. Computer software

Computer software is stated at acquisition cost and amortized on a straight line basis with useful lives of 3~5 years.

(XVI) Impairment of non-financial Assets

The Company assesses at each balance sheet date the recoverable amounts of those Assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(XVII) Loans

Refer to long-term, short-term borrowings from banks and other short-term loans. During the initial recognition, the Company measures according to the fair value with deduction of transaction cost. Subsequently, for any difference between the amount after the deduction of transaction cost and the redemption value, the effective interest method is adopted to recognize the interest expense in the profit or loss according to amortized procedure during the circulation period.

(XVIII) Notes and accounts payable

1. Debt arising from purchase of raw materials, goods or services and notes payable arising from ordinary course of business or non-business related matters.
2. For short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(XIX) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the contract's obligations are discharged, cancelled, or expired.

(XX) Financial guarantee contract

This refers to when the specific debtor is unable to repay the debts based on the original or revised debt instrument terms and conditions upon the maturity of debts, and the Company must pay the specific payment for reimbursement to the holder for the contract losses incurred. The Company adjusts the transaction cost measurement using fair value on the trading day on initial recognition. Subsequently, taking the best estimation for the pay off of the expenses required by present obligation at the end of the balance sheet date, and the amount on initial recognition to deduct the accumulated amortization balance recognized, whichever is higher is used for the measurement.

(XXI) Provisions

Provisions for warranty liability are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. Provisions are not recognized for future operating losses.

(XXII) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

2. Pensions

(1) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(2) Defined benefit plans

A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in Current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan Assets, together with adjustments for unrecognized past service costs. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

B. Remeasurement arising on defined benefit plans is recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

3. Termination benefits

Termination benefits are benefits paid to employees when their employment has been terminated prior to their ordinary date of retirement or for acceptance of termination of employment. Termination benefits are recognized when the Company can no longer withdraw the offer of the benefit or when the Group recognizes costs for a restructuring, whichever is earlier. Benefits that are not expected to be settled wholly before twelve months after the end of the balance sheet date should be discounted.

4. Remuneration to employee

Employees' compensation are recognized as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(XXIII) Income tax

1. The income tax expense for the period comprises Current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. The management assesses the status of income tax declaration according to relevant applicable income tax laws, and shall pay the income tax liability estimated to the taxation agency according to the expectation under applicable status. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings in a shareholders' meeting of the following year.
3. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. The deferred income tax is not

accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates or laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4. Deferred income tax Assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax Assets are reassessed.
5. Current income tax Assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax Assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset Current tax Assets against Current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
6. Tax credits resulting from research and development expenditures are treated with accounting for income tax credits.

(XXIV) Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(XXV) Dividends

Dividends distributed to the Company's shareholders are recognized in the financial statements when the distribution is resolved at the shareholders' meeting. Cash dividends are recognized as a liability, while stock dividends are recognized as stock dividends to be distributed and transferred to common stock on the record date for issuing the new shares.

(XXVI) Income

1. Revenues from product Sales

- (1) For the cement and building material related products manufactured and sold by the Group, the income from sale of goods is recognized when the control of goods is transferred to customers, i.e. when the goods are delivered to the customer. In addition, the Company has no unfulfilled obligations that may affect the customer from accepting the goods. When goods are transported to the designated location, the obsolete and impairment risks have been transferred to the customer, and customer also accepts goods according to the sales contract, or when there is

objective evidence proofing that all acceptable standards have been satisfied, which occurs when the goods is delivered to the customer.

(2) Accounts receivable is recognized when goods are delivered to customers since starting from such time of delivery, the Company has the unconditional right on the contract price, and the Company can receive the consideration from the customer after time has passed.

(3) Financial component

Since the period from the time when contracts are signed between the Company and customers, the goods or services are promised to be transferred to customers to the time when the payments are made by customers have not exceeded one year, consequently, the Company has not adjusted the transaction price to reflect the currency time value.

2. Construction contract revenue

- (1) The Company sub-contracts construction projects. As the performance of construction contracts creates or enhances one asset, and the concerned asset becomes under control of the client or does not create an asset with an alternative use to the Company, and the Company has an enforceable right to payment for performance completed to date, the Company recognizes revenue over time as it satisfies the performance obligation.
- (2) The Company's recognition of construction contract revenue is based on the stage of completion of a contract using the percentage of completion method of accounting during the duration of a contraction. The contract costs are recognized as expenses in the incurred period. The stage of completion is determined by reference to the contract costs incurred to date and the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs. If the total contract costs are probable to exceed total contract revenue, the estimated loss is recognized as expenses immediately. When the results of the construction contracts may not be able to be used to reasonably measure the results of the performance obligations, but the Company expects to recover the incurred costs when the performance obligations are fulfilled, the Company will only recognize the contracts in revenue within the scope of the incurred costs before the results of the performance obligations can be measured.
- (3) The Company's estimations for revenue, costs, and stage of completion are adjusted accordingly. Any variation of estimated revenue or costs arising from change of estimations is reflected in profit or loss in the period when the condition for change of estimation is made known to the management.
- (4) The variable consideration arising from performance bonuses, penalties or claims that could result in variation of total contract price is only included in the transaction price if, and to the extent that, it is highly probable that its inclusion will not result in a significant revenue reversal in the future.
- (5) Retention money mandated in the construction contract should be paid after acceptance of construction by the customers. The retention money receivable is a form of protection for its customers in the event that the counter-party does not perform parts or all obligations properly, and thus does not contain any significant financing component.
- (6) The excess of receivables from customers on construction contracts, that is, the cumulative costs incurred plus, recognized profits (less recognized losses) over the progress billings on each construction contract is presented as a contract asset. While the excess of the progress billings over the cumulative costs incurred plus, recognized profits (less recognized losses) on each construction contract is presented as a contract liability.

(XXVII) Government grants

Government grants are recognized at fair value when there is reasonable assurance that an enterprise will comply with the conditions attached to the government grants and will receive the grant. If the nature of the government grants is to compensate the expenses incurred by the Company, such grants shall be recognized as the current profit or loss on a systematic basis during the period in which such expenses are incurred (listed as a deduction of R&D expenses).

V. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these unconsolidated financial statements requires management to make critical judgments in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of Assets and liabilities within the next financial year. The critical accounting judgments, estimates and key sources of assumption uncertainty is addressed as follows:

(I) Critical judgments in applying the Company accounting policies

None.

(II) Critical accounting estimates and assumptions

1. Financial assets - fair value measurement for unlisted securities with no active market.

For the stocks of non-TWSE/TPEX companies in the active market held by the Company, the measurement at fair value is estimated mainly based on the assessment of companies of similar type, company's technology development status, market condition and other economic indicators. Any change of determination and estimation can affect the measurement at fair value. For explanation of financial tool at fair value, please refer to Note 12(3).

On December 31, 2023, the carrying amount of the Company's investments in securities of other unlisted companies with no active market was NT\$81,121 (listed under "financial assets at fair value through other comprehensive income - non-current").

2. Revenue recognition

Construction contract revenue should be recognized by reference to the stage of completion in the contract period using the percentage of completion method. Contract costs are recognized in the incurred period. The stage of completion is determined based on the contract costs incurred to date and the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and revolving funds	\$ 3,540	\$ 4,040
Checking deposits	229,237	175,457
Demand deposits	93,405	39,571
Cash equivalents - Bonds under repurchase agreements	<u>278,425</u>	<u>1,500,344</u>
	<u>\$ 604,607</u>	<u>\$ 1,719,412</u>

1. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

2. The Company's restricted cash and cash equivalents on December 31, 2023 and 2022 due to business contracts, project performance bonds, warranties, and so on guarantees were NT\$509,234 and NT\$471,590 respectively, which were classified as other financial assets (listed under other current assets). Please refer to Note 8 for related explanations.

(II) Notes and accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	\$ 835,215	\$ 413,590
Notes Receivable – related party	53,949	-
	<u>\$ 889,164</u>	<u>\$ 413,590</u>
Accounts receivable	\$ 1,499,397	\$ 1,023,681
Less: Allowance for loss	(306)	(235)
Subtotal	<u>1,499,091</u>	<u>1,023,446</u>
Accounts receivable - related party	530,440	30,428
	<u>\$ 2,029,531</u>	<u>\$ 1,053,874</u>

1. The aging analysis of accounts receivable (including related parties) and notes receivable (including related parties) is as follows:

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not overdue	\$ 1,451,916	\$ 889,164	\$ 1,052,167	\$ 413,590
Within 30 days	86,915	-	-	-
31-60 days	69,394	-	1,942	-
61-90 days	123,885	-	-	-
91 days and more	<u>297,727</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,029,837</u>	<u>\$ 889,164</u>	<u>\$ 1,054,109</u>	<u>\$ 413,590</u>

The aging analysis was based on past due date.

2. The balances of the receivables and notes receivable as of December 31, 2023 and 2022 were incurred by the clients' contracts; also as of January 1, 2022, the balances of the notes receivable (including related parties) and accounts receivables (including related parties) were NT\$1,069,492 and NT\$947,093, respectively.
3. The Company's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, were NT\$889,164 and NT\$413,590 for notes receivable (including related parties), as of December 31, 2023 and 2022, respectively; the accounts receivable (including related parties) were NT\$2,029,531 and NT\$1,053,874 as of December 31, 2023 and 2022, respectively.
4. For credit risk information related to accounts receivable and notes receivable, please refer

to Note 12(2).

5. For a description of the collateral for the collateral for accounts receivable held by the Company and other credit enhancements, please refer to Note 12 (2).

(III) Inventories

	<u>December 31, 2023</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Carrying amount</u>
Raw materials	\$ 16,649	(\$ 420)	\$ 16,229
Supplies	<u>5,272</u>	=	<u>5,272</u>
	<u>\$ 21,921</u>	<u>(\$ 420)</u>	<u>\$ 21,501</u>

	<u>December 31, 2022</u>		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Carrying amount</u>
Raw materials	\$ 14,745	(\$ 1,002)	\$ 13,743
Supplies	<u>2,547</u>	-	<u>2,547</u>
	<u>\$ 17,292</u>	<u>(\$ 1,002)</u>	<u>\$ 16,290</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Construction cost recognized in current period as expenses:		
Construction cost	\$ 14,314,009	\$ 17,553,507
Inventory valuation losses (gains on recovery)	(582)	899
Revenue from sales of scraps	(16,580)	(14,930)
	<u>\$ 14,296,847</u>	<u>\$ 17,539,476</u>

The Company's inventories recognized as allowance of loss were consumed and market prices recovered during 2023, the inventories generated gains from price recovery.

(IV) Prepayments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Prepayment for purchases	\$ 315,533	\$ 307,891
Overpaid sales tax	-	44,206
Prepaid rent	9,425	15,464
Other prepayments	<u>21,616</u>	<u>14,168</u>
	<u>\$ 346,574</u>	<u>\$ 381,729</u>

(V) Financial assets at fair value through other comprehensive income acquired - non-Current

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Equity Instrument		
Shares of TWSE listed companies	\$ 2,191,521	\$ 2,202,314
Shares of the TPEX listed companies	55,412	55,412
Shares of non-TWSE/TPEX listed companies	<u>286,324</u>	<u>286,324</u>
	<u>2,533,257</u>	<u>2,544,050</u>
Adjustments for valuation		
- Shares of TWSE listed companies	1,405,662	1,530,141
- Shares of the TPEX listed companies	(37,316)	(37,394)
- Shares of non-TWSE/TPEX listed companies	<u>(205,203)</u>	<u>(207,509)</u>
	<u>1,163,143</u>	<u>1,285,238</u>
	<u>\$ 3,696,400</u>	<u>\$ 3,829,288</u>

1. The Company elected to classify the TWSE listed securities for stable dividends as financial assets at fair value through other comprehensive income; such investments amounting NT\$3,597,183 and NT\$3,732,455 as of December 31, 2023 and 2022, respectively.
2. The Company elected to classify the strategic investments of listed and unlisted shares as financial assets at fair value through other comprehensive income, amounting to NT\$99,217 and NT\$96,833 as of December 31, 2023 and 2022, respectively.
3. The listed company-Ruentex Development Co., Ltd.'s shareholders meeting passed the resolution to conduct a capital reduction in cash. The record date for capital reduction was August 15, 2023, and the capital reduction stock payments of \$10,793 were collected on October 2, 2023.
4. In the third quarter of 2022, the Company purchased 1,200 thousand shares in Ruentex Industries Ltd., a TWSE-listed company, from the open market, in the amount of NT\$76,855.
5. TPEX-listed company, OBI Pharma, Inc., had increased its capital in cash in March 2022, and the Company subscribed for 26 thousand shares in the amount of NT\$2,778.
6. TWSE-listed company, Ruentex Industries Ltd., had increased its capital in cash in September 2022, and the Group subscribed for 22,844 shares in the amount of NT\$1,142,186.
7. The maximum exposure to credit risk for the Company's financial assets at fair value through comprehensive income, before consideration of associated collateral held and other credit enhancements, was NT\$3,696,400 and NT\$3,829,288 as of December 31, 2023 and 2022, respectively.

8. The details of financial assets at fair value through other comprehensive income recognized in profit and loss and comprehensive income (loss) are as follows:

<u>Item</u>	<u>2023</u>	<u>2022</u>
Changes in fair value recognized as other comprehensive income	(\$ <u>122,095</u>)	(\$ <u>516,810</u>)
Dividend incomes recognized in profit and loss	\$ <u>102,616</u>	\$ <u>153,511</u>

9. For information on the credit risk of financial assets at fair value through other comprehensive income, please refer to Note 12(2).

(VI) Financial Assets at amortized cost- non-Current

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subordinated corporate bonds	\$ <u>500,000</u>	\$ <u>500,000</u>

1. Detail of the financial Assets at amortized cost recognized under the profit (loss) is as follows:

	<u>2023</u>	<u>2022</u>
Interest revenue	\$ <u>17,500</u>	\$ <u>17,500</u>

2. Under the condition where the increase of collaterals or other credits held was not considered, for the most representing financial Assets at amortized cost held by the Company, the maximum exposure amount of credit risk on December 31, 2023 and 2022 was both NT\$500,000.

3. For information on the credit risk of financial assets at amortized cost, please refer to Note 12(2).

(VII) Investments accounted for using equity method

	<u>2023</u>	<u>2022</u>
January 1	\$ 906,823	\$ 910,730
Share of profit (loss) from investment using the equity method	76,796	37,122
Distribution of earnings from investment using (the equity method)	34,098	(13,728)
Change of capital surplus	-	5,902
Other equities changes (Note 6(20))	(2,515)	(36,033)
Actuarial gains and losses of pension - subsidiaries	(221)	326
Realized gains from disposal of assets between	-	1,397

affiliates (Note 7)

Realized sale gains between affiliates

1,107 1,107

December 31

\$ 947,892 \$ 906,823

1. Investment details are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Subsidiaries:</u>		
Ruentex Materials Co., Ltd. (Ruentex Materials)	\$ 840,729	\$ 810,385
Ruentex Interior Design Inc. (Ruentex Design)	101,107	92,048
Ruen Yang Construction Co., Ltd. (Ruen Yang)	<u>6,056</u>	<u>4,390</u>
	<u>\$ 947,892</u>	<u>\$ 906,823</u>

2. Share of profit (loss) from investment of subsidiaries using the equity method as follows:

	<u>2023</u>	<u>2022</u>
<u>Subsidiaries:</u>		
Ruentex Materials	\$ 45,017	\$ 14,919
Ruentex Design	30,113	20,894
Ruen Yang	<u>1,666</u>	<u>1,309</u>
	<u>\$ 76,796</u>	<u>\$ 37,122</u>

3. On June 8, 2022, the Board of Directors of Ruentex Materials, a subsidiary of the Company, approved the provision of 500 thousand shares of Ruentex Interior Design on July 19, 2022 for subscription by securities advisors-cum-underwriters. The selling price per share was NT\$60, and the proceeds (less the securities exchange tax) totaled NT\$29,910. Ruentex Materials's shareholding in Ruentex Interior Design dropped from 38.89% to 35.19%. As such, the Company's direct and indirect combined shareholding in Ruentex Interior Design has dropped from 35.57% to 34.12%, which was recognized in capital surplus - the difference between the equity price and the book value of actual acquisition or disposition of subsidiaries is NT\$5,902.

4. Subsidiaries

Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2023 for more information on the Company's subsidiaries.

(VIII) Property, plant, and equipment

	<u>2023</u>								
	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leased assets</u>	<u>Leasehold improvements</u>	<u>Miscellaneous equipment</u>	<u>Construction in progress</u>	<u>Total</u>
January 1									
Cost	\$ 265,534	\$ 435,661	\$ 26,167	\$ 87,071	\$ 4,239	\$ 40,819	\$ 132,025	\$ 10,802	\$ 1,002,318
Accumulated depreciation	(149,860)	(369,311)	(18,971)	(61,166)	(4,239)	(12,157)	(78,323)	-	(694,027)
	<u>\$ 115,674</u>	<u>\$ 66,350</u>	<u>\$ 7,196</u>	<u>\$ 25,905</u>	<u>\$ -</u>	<u>\$ 28,662</u>	<u>\$ 53,702</u>	<u>\$ 10,802</u>	<u>\$ 308,291</u>
January 1	\$ 115,674	\$ 66,350	\$ 7,196	\$ 25,905	\$ -	\$ 28,662	\$ 53,702	\$ 10,802	\$ 308,291
Addition	-	36,501	2,898	15,321	-	19,120	53,643	-	127,483
Transfer (Note)	-	6,380	-	-	-	8,933	-	(10,802)	4,511
Costs of disposal of assets	-	(437)	(1,300)	(5,367)	-	-	(333)	-	(7,437)
Accumulated depreciation balance on disposal date	-	437	1,300	5,301	-	-	333	-	7,371
Depreciation expense	(6,599)	(22,121)	(2,167)	(12,530)	-	(3,588)	(32,557)	-	(79,562)
December 31	<u>\$ 109,075</u>	<u>\$ 87,110</u>	<u>\$ 7,927</u>	<u>\$ 28,630</u>	<u>\$ -</u>	<u>\$ 53,127</u>	<u>\$ 74,788</u>	<u>\$ -</u>	<u>\$ 360,657</u>
December 31									
Cost	\$ 265,534	\$ 478,105	\$ 27,765	\$ 97,025	\$ 4,239	\$ 68,872	\$ 185,335	\$ -	\$ 1,126,875
Accumulated depreciation	(156,459)	(390,995)	(19,838)	(68,395)	(4,239)	(15,745)	(110,547)	-	(766,218)
	<u>\$ 109,075</u>	<u>\$ 87,110</u>	<u>\$ 7,927</u>	<u>\$ 28,630</u>	<u>\$ -</u>	<u>\$ 53,127</u>	<u>\$ 74,788</u>	<u>\$ -</u>	<u>\$ 360,657</u>

Note: The balance of the transfer amount is the transfer from prepayments for business facilities.

	<u>2022</u>									
	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leased assets</u>	<u>Leasehold improvements</u>	<u>Miscellaneous equipment</u>	<u>Construction in progress</u>	<u>Total</u>
January 1										
Cost	\$ 4,775	\$ 268,130	\$ 397,765	\$ 27,711	\$ 80,374	\$ 4,239	\$ 12,996	\$ 106,139	\$ 12,783	\$ 914,912
Accumulated depreciation	<u>-</u>	<u>(144,020)</u>	<u>(352,280)</u>	<u>(18,476)</u>	<u>(51,143)</u>	<u>(4,239)</u>	<u>(10,943)</u>	<u>(46,908)</u>	<u>-(628,009)</u>	
	<u>\$ 4,775</u>	<u>\$ 124,110</u>	<u>\$ 45,485</u>	<u>\$ 9,235</u>	<u>\$ 29,231</u>	<u>\$ -</u>	<u>\$ 2,053</u>	<u>\$ 59,231</u>	<u>\$ 12,783</u>	<u>\$ 286,903</u>
January 1	\$ 4,775	\$ 124,110	\$ 45,485	\$ 9,235	\$ 29,231	\$ -	\$ 2,053	\$ 59,231	\$ 12,783	\$ 286,903
Addition	-	-	26,618	-	8,639	-	20,437	25,806	10,802	92,302
Transfer (Note)	-	-	12,262	-	-	-	7,386	80	(12,783)	6,945
Costs of disposal of assets	(4,775)	(2,596)	(984)	(1,544)	(1,942)	-	-	-	-(11,841)	
Accumulated depreciation balance on disposal date	-	797	922	1,544	1,909	-	-	-	-	5,172
Depreciation expense	<u>-</u>	<u>(6,637)</u>	<u>(17,953)</u>	<u>(2,039)</u>	<u>(11,932)</u>	<u>-</u>	<u>(1,214)</u>	<u>(31,415)</u>	<u>-(71,190)</u>	
December 31	<u>\$ -</u>	<u>\$ 115,674</u>	<u>\$ 66,350</u>	<u>\$ 7,196</u>	<u>\$ 25,905</u>	<u>\$ -</u>	<u>\$ 28,662</u>	<u>\$ 53,702</u>	<u>\$ 10,802</u>	<u>\$ 308,291</u>
December 31										
Cost	\$ -	\$ 265,534	\$ 435,661	\$ 26,167	\$ 87,071	\$ 4,239	\$ 40,819	\$ 132,025	\$ 10,802	\$ 1,002,318
Accumulated depreciation	<u>-</u>	<u>(149,860)</u>	<u>(369,311)</u>	<u>(18,971)</u>	<u>(61,166)</u>	<u>(4,239)</u>	<u>(12,157)</u>	<u>(78,323)</u>	<u>-(694,027)</u>	
	<u>\$ -</u>	<u>\$ 115,674</u>	<u>\$ 66,350</u>	<u>\$ 7,196</u>	<u>\$ 25,905</u>	<u>\$ -</u>	<u>\$ 28,662</u>	<u>\$ 53,702</u>	<u>\$ 10,802</u>	<u>\$ 308,291</u>

Note: The balance of the transfer amount is the transfer from prepayments for business facilities.

None of the Company's property, plants, and equipment are used for pledge.

(IX) Lease transactions - lessees

1. The underlying assets of the Company to be leased include land used for industry, offices, employee dormitories, warehouses, parking, and company vehicles in the form of operating lease, and the lease period is normally from 2022 to 2040. The lease contracts are negotiated individually, with different terms and conditions. The leased assets are neither to be used as collaterals for loans, nor the rights to be transferred to others in the form of business transfer or merge, among other forms.
2. The lease period for the offices, employee dormitories, and warehouses leased by the Company is less than 12 months.
3. The information of the right-of-use assets are as the following:

	<u>2023</u>			
	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1				
Cost	\$ 894,673	\$ 146,453	\$ 4,323	\$ 1,045,449
Accumulated depreciation	<u>(58,221)</u>	<u>(48,819)</u>	<u>(3,608)</u>	<u>(110,648)</u>
	<u>\$ 836,452</u>	<u>\$ 97,634</u>	<u>\$ 715</u>	<u>\$ 934,801</u>
January 1	\$ 836,452	\$ 97,634	\$ 715	\$ 934,801
Addition-Newly added lease contracts	13,212	-	4,706	17,918
Lease contract modifications - costs	62,435	-	-	62,435
Cost of derecognition	<u>(45,329)</u>	<u>-</u>	<u>(4,323)</u>	<u>(49,652)</u>
Accumulated depreciation, derecognized	45,329	-	4,323	49,652
Depreciation expense	<u>(57,210)</u>	<u>(29,289)</u>	<u>(1,482)</u>	<u>(87,981)</u>
December 31	<u>\$ 854,889</u>	<u>\$ 68,345</u>	<u>\$ 3,939</u>	<u>\$ 927,173</u>
December 31				
Cost	\$ 924,991	\$ 146,453	\$ 4,706	\$ 1,076,150
Accumulated depreciation	<u>(70,102)</u>	<u>(78,108)</u>	<u>(767)</u>	<u>(148,977)</u>
	<u>\$ 854,889</u>	<u>\$ 68,345</u>	<u>\$ 3,939</u>	<u>\$ 927,173</u>

	<u>2022</u>			
	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1				
Cost	\$ 110,189	\$ 146,453	\$ 4,216	\$ 260,858
Accumulated depreciation	<u>(89,266)</u>	<u>(19,528)</u>	<u>(2,131)</u>	<u>(110,925)</u>

	<u>\$ 20,923</u>	<u>\$ 126,925</u>	<u>\$ 2,085</u>	<u>\$ 149,933</u>
January 1	\$ 20,923	\$ 126,925	\$ 2,085	\$ 149,933
Addition-Newly added lease contracts	860,474	-	-	860,474
Lease contract modifications - costs	-	-	107	107
Cost of derecognition	(75,990)	-	-	(75,990)
Accumulated depreciation, derecognized	75,990	-	-	75,990
Depreciation expense	<u>(44,945)</u>	<u>(29,291)</u>	<u>(1,477)</u>	<u>(75,713)</u>
December 31	<u>\$ 836,452</u>	<u>\$ 97,634</u>	<u>\$ 715</u>	<u>\$ 934,801</u>
December 31				
Cost	\$ 894,673	\$ 146,453	\$ 4,323	\$ 1,045,449
Accumulated depreciation	<u>(58,221)</u>	<u>(48,819)</u>	<u>(3,608)</u>	<u>(110,648)</u>
	<u>\$ 836,452</u>	<u>\$ 97,634</u>	<u>\$ 715</u>	<u>\$ 934,801</u>

4. Lease liabilities related to lease contracts are as the following:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total amount of lease liabilities	\$ 934,002	\$ 937,421
Less: Due within one year (listed as lease liabilities - current)	<u>(82,668)</u>	<u>(76,971)</u>
	<u>\$ 851,334</u>	<u>\$ 860,450</u>

5. Information of income items related to lease contracts are as the following:

	<u>2023</u>	<u>2022</u>
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	\$ 14,600	\$ 6,916
Expenses of short-term lease contracts	<u>119,228</u>	<u>134,958</u>
	<u>\$ 133,828</u>	<u>\$ 141,874</u>

6. In July 2023, the Company adjusted the right-of-use assets - land and lease liabilities of \$62,435 according to the consumer price index.

7. The Company's total lease cash outflows were NT\$217,600 and NT\$215,827 in 2023 and 2022, respectively, which consisted of NT\$119,228 and NT\$134,958 rent expenses for short-term lease contracts; NT\$14,600 and NT\$6,916 for interest expense on lease liabilities; and NT\$83,772 and NT\$73,953 for lease principal repayments.

8. The Company rented lands from related parties. Please refer to Note 7(2) for related

explanations.
(X) Intangible Assets

	<u>2023</u>		
	<u>Patent right</u>	<u>Computer software</u>	<u>Total</u>
January 1			
Cost	\$ 53,616	\$ 51,938	\$ 105,554
Accumulated amortization	(26,130)	(47,234)	(73,364)
	<u>\$ 27,486</u>	<u>\$ 4,704</u>	<u>\$ 32,190</u>
January 1	\$ 27,486	\$ 4,704	\$ 32,190
Addition	4,813	457	5,270
Amortization	(2,368)	(1,831)	(4,199)
December 31	<u>\$ 29,931</u>	<u>\$ 3,330</u>	<u>\$ 33,261</u>
December 31			
Cost	\$ 58,429	\$ 52,395	\$ 110,824
Accumulated amortization	(28,498)	(49,065)	(77,563)
	<u>\$ 29,931</u>	<u>\$ 3,330</u>	<u>\$ 33,261</u>
	<u>2022</u>		
	<u>Patent right</u>	<u>Computer software</u>	<u>Total</u>
January 1			
Cost	\$ 49,022	\$ 49,700	\$ 98,722
Accumulated amortization	(23,599)	(45,899)	(69,498)
	<u>\$ 25,423</u>	<u>\$ 3,801</u>	<u>\$ 29,224</u>
January 1	\$ 25,423	\$ 3,801	\$ 29,224
Addition	4,594	2,238	6,832
Amortization	(2,531)	(1,335)	(3,866)
December 31	<u>\$ 27,486</u>	<u>\$ 4,704</u>	<u>\$ 32,190</u>
December 31			
Cost	\$ 53,616	\$ 51,938	\$ 105,554
Accumulated amortization	(26,130)	(47,234)	(73,364)
	<u>\$ 27,486</u>	<u>\$ 4,704</u>	<u>\$ 32,190</u>

1. Details of amortization of intangible assets are as follows:

	<u>2023</u>	<u>2022</u>
Operation cost	\$ 304	\$ 51
General & administrative expenses	<u>3,895</u>	<u>3,815</u>
	<u>\$ 4,199</u>	<u>\$ 3,866</u>

2. The Company did not pledge intangible assets to others as collateral.

(XI) Short-term borrowings

<u>Nature of loan</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bank loan		
Credit Loan	<u>\$ -</u>	<u>\$ 2,289,000</u>
Interest rate collars	-	1.72%~2.01%

The guaranteed bills for the short-term borrowings the Company issues are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guarantee notes	<u>\$ 5,860,000</u>	<u>\$ 2,980,000</u>

(XII) Short-term bills payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commercial papers payable	\$ 100,000	\$ 570,000
Less: Unamortized discount	(4)	(485)
	<u>\$ 99,996</u>	<u>\$ 569,515</u>
Interest rate collars	1.45%	1.00%~2.11%

The guaranteed bills for the short-term bills payable the Company issues are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
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Guarantee notes	<u>\$</u> <u>700,000</u>	<u>\$</u> <u>650,000</u>
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(XIII) Other payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Salary and wages payable	\$ 515,643	\$ 519,826
Business tax payable	56,166	-
Other charges payable	<u> 47,011</u>	<u> 46,920</u>
	<u>\$</u> <u>618,820</u>	<u>\$</u> <u>566,746</u>

(XIV) Long-term borrowings

<u>Nature of loan</u>	<u>Loan period and borrowing method</u>	<u>Interest rate collars</u>	<u>Guarantee</u>	<u>December 31, 2023</u>
Long-term bank loan				
Credit Loan	From July 26, 2023 to July 24, 2026, with interest paid monthly, repayable in accordance with the contractual period	1.95%~2.02%	Note	\$ 1,800,000
Less: Long-term borrowings due within one year				<u>(75,000)</u>
				<u>\$ 1,725,000</u>

Note: The guaranteed bills for the long-term borrowings the Company issues are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guarantee notes	<u>\$ 4,444,480</u>	<u>\$ 2,783,000</u>

(XV) Other non-Current liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Defined benefit liability	\$ 84,542	\$ 96,725
Warranty provision	134,473	129,219
Guarantee deposits received	<u>18,467</u>	<u>100,353</u>
	<u>\$ 237,482</u>	<u>\$ 326,297</u>

(XVI) Pensions

1.(1) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. In addition, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.

(2) The amounts recognized in the balance sheet are determined as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligation	(\$ 200,568)	(\$ 214,865)
Fair value of plan assets	<u>116,026</u>	<u>118,140</u>
Defined benefit liability (listed as “non-current liabilities”)	<u>(\$ 84,542)</u>	<u>(\$ 96,725)</u>

(3) Movements in net defined benefit liabilities are as follows:

	<u>2023</u>		
	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Defined benefit liability</u>
January 1	(\$ 214,865)	\$ 118,140	(\$ 96,725)
Current service cost	(667)	-	(667)
Interest (expense) revenue	<u>(2,396)</u>	<u>1,253</u>	<u>(1,143)</u>
	<u>(217,928)</u>	<u>119,393</u>	<u>(98,535)</u>
Remeasurements:			
	-	1,239	1,239
Return on plan assets (Other than the amount included in interest revenue or expense)			
Effects of changes in economic assumptions	(680)	-	(680)
Experience adjustments	<u>10,506</u>	<u>-</u>	<u>10,506</u>
	<u>9,826</u>	<u>1,239</u>	<u>11,065</u>
Contribution to pension fund	-	2,919	2,919
Payment of pension benefits	<u>7,534</u>	<u>(7,525)</u>	<u>9</u>
December 31	<u>(\$ 200,568)</u>	<u>\$ 116,026</u>	<u>(\$ 84,542)</u>

	<u>2022</u>		
	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Defined benefit liability</u>
January 1	(\$ 212,754)	\$ 108,285	(\$ 104,469)
Current service cost	(731)	-	(731)
Interest (expense) revenue	<u>(1,299)</u>	<u>630</u>	<u>(669)</u>
	<u>(214,784)</u>	<u>108,915</u>	<u>(105,869)</u>
Remeasurements:			

		-	8,870	8,870
Return on plan assets (Other than the amount included in interest revenue or expense)				
Effects of changes in economic assumptions	8,853	-		8,853
Experience adjustments	(8,934)	-		(8,934)
	(81)	8,870		8,789
Contribution to pension fund	-	355		355
Payment of pension benefits	-	-		-
December 31	(\$ 214,865)	\$ 118,140		(\$ 96,725)

(4) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 Paragraph 142. The composition of fair value of plan Assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(5) The principal actuarial assumptions used were as follows:

	<u>2023</u>	<u>2022</u>
Discount rate	1.15%	1.20%
Future salary increase in percent	3.00%	3.00%

The future mortality rates in 2023 and 2022 were estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increase in percent</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2023				
Effects on the present value of a defined benefit obligation	<u>(\$ 3,361)</u>	<u>\$ 3,453</u>	<u>\$ 3,382</u>	<u>(\$ 3,309)</u>
December 31, 2022				
Effects on the present value of a defined benefit obligation	<u>(\$ 3,838)</u>	<u>\$ 3,953</u>	<u>\$ 3,873</u>	<u>(\$ 3,781)</u>

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of sensitivity analysis the current period are the same as the ones of the previous period.

- (6) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2024 amounts to NT\$2,993.
- (7) As of December 31, 2023, the weighted average duration of that retirement plan is 6 years. The analysis of timing of the future pension payment was as follows:

Less than 1 year	\$	14,140
1-2 years		7,153
2-5 years		73,606
More than 5 years		<u>121,657</u>
	<u>\$</u>	<u>216,556</u>

2.(1) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(2) The pension costs under the defined contribution pension plans of the Company for the years 2023 and 2022 were NT\$41,118 and NT\$40,891, respectively.

(XVII) Capital

1. The Company’s outstanding shares as of December 31, 2023 and 2022 are both 184,950 thousand shares.

2. As of December 31, 2023, the Company's authorized capital was NT\$3,000,000, and the paid-in capital was NT\$1,849,500 with 184,950 thousand shares and a par value of NT\$10 per share. All proceeds from shares issued have been collected.

(XVIII) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(XIX) Retained earnings

1. Under the Articles of Incorporation of the company, the earnings, if any, shall be distributed after close of the year as follows:
 - (1) First pay income tax.
 - (2) Make up loss accumulated in previous year, if any.
 - (3) Amortize 10% as legal reserve unless the accumulated legal reserve is up to the total paid-in capital of the Company.
 - (4) Amortize or rotate special reserve as required by law or the competent authority.
 - (5) For the balance after deduction of the sums under Paragraphs (1)-(4), the Board of Directors shall propose the allocation to be duly allocated after being submitted and resolved in the shareholders' meeting.
2. The Company sets its dividend policy pursuant to the Company Act and the Company's Articles of Incorporation, taking into account the Company's capital and financial structure, conditions of business operation, earnings, the attributes of industries and cycles concerned. The Company pays dividends by means of either stock dividend and cash dividends.
3. Except for covering accumulated deficit or issuing new stocks or cash to shareholder in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- 4.(1) The 2022 earnings distribution proposal was passed by the shareholders' meeting on May 31, 2023 and the 2021 earnings distribution proposal was approved by the shareholders' meeting on May 27, 2022 as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>Dividend per share (NT\$)</u>	<u>Amount</u>	<u>Dividend per share (NT\$)</u>
<u>Legal reserve</u>	\$ 206,789		\$ 185,375	
<u>Cash dividends</u>	1,849,500	\$ 10.00	1,664,550	\$ 9.00
<u>Total</u>	<u>\$ 2,056,289</u>		<u>\$ 1,849,925</u>	

(2) For the abovementioned shareholders' meeting resolution on the appropriation of earnings, please refer to the "Market Observation Post System" of the Taiwan Stock Exchange.

5. The Company's earning distribution plan for the year ended December 31, 2023 approved by the board of directors' meeting on March 13, 2024 is as follows:

	<u>2023</u>		<u>Dividend per share</u>
	<u>Amount</u>		<u>(NT\$)</u>
Legal reserve	\$ 191,083		
Cash dividends	998,730	\$	5.40
Stock dividends	739,800		4.00
Total	<u>\$ 1,929,613</u>		

(XX) Other equity items

	<u>Unrealized valuation profit or loss</u>	
	<u>2023</u>	<u>2022</u>
January 1	\$ 1,291,123	\$ 1,843,966
Valuation - Total of the Company	(122,095)	(516,810)
Valuation - Subsidiaries	(2,515)	(36,033)
December 31	<u>\$ 1,166,513</u>	<u>\$ 1,291,123</u>

(XXI) Operating Revenue

	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers:		
Revenue from construction contracts	\$ 17,130,098	\$ 20,502,283
Revenue from contract for service	28,882	18,666
	<u>\$ 17,158,980</u>	<u>\$ 20,520,949</u>

1. Detail of customer contract income

The Company's revenue is mainly from the transfer of services, and it can be divided based on product lines and regions as follows:

	<u>2023</u>	<u>2022</u>
	<u>Taiwan</u>	<u>Taiwan</u>
	<u>Construction business</u>	<u>Construction business</u>
Departmental revenue	<u>\$ 17,158,980</u>	<u>\$ 20,520,949</u>
Timing of revenue recognition		
Revenue recognized over time	<u>\$ 17,158,980</u>	<u>\$ 20,520,949</u>

2. Outstanding construction contracts

As of December 31, 2023 and 2022 for the signed construction contracts, the aggregated amounts of the transaction amount allocated to the unsatisfied contract performance, and the estimated recognition years are as follows:

<u>Year</u>	<u>Year of the estimated recognized revenues</u>	<u>Amounts of the signed contracts</u>
2023	2024 - 2027	<u>\$ 33,322,200</u>
2022	2023 ~ 2025	<u>\$ 30,397,094</u>

3. Contract assets and contract liabilities

The Company's recognition of contract assets and contract liabilities related to contracts with customers is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract asset:			
Contract asset - Construction retainage	\$ 2,291,703	\$ 1,808,054	\$ 1,300,145
Contract asset - Construction contract	<u>2,251,027</u>	<u>3,356,366</u>	<u>1,826,809</u>
Total	<u>\$ 4,542,730</u>	<u>\$ 5,164,420</u>	<u>\$ 3,126,954</u>
Contract liability:			
Contract liability - Construction contract	<u>\$ 2,153,720</u>	<u>\$ 979,793</u>	<u>\$ 1,088,450</u>

4. Contract assets and contract liabilities related to aforementioned contracts recognized as of December 31, 2023 and 2022, and as of January 1, 2022:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Total costs incurred plus profits recognized (less losses recognized)	\$ 40,664,152	\$ 34,871,037	\$ 25,947,621
Less: Amount requested for progress of works	<u>(40,566,845)</u>	<u>(32,494,464)</u>	<u>(25,209,262)</u>
Status of net assets and liabilities of ongoing contracts	<u>\$ 97,307</u>	<u>\$ 2,376,573</u>	<u>\$ 738,359</u>
Listed as:			
Contract asset - Construction contract	\$ 2,251,027	\$ 3,356,366	\$ 1,826,809
Contract liability - Construction contract	<u>(2,153,720)</u>	<u>(979,793)</u>	<u>(1,088,450)</u>
	<u>\$ 97,307</u>	<u>\$ 2,376,573</u>	<u>\$ 738,359</u>

(XXII) Operation cost

	<u>2023</u>		<u>2022</u>
Cost of construction contract	\$ 14,296,847		\$ 17,539,476
Services costs	20,805		15,712
	<u>\$ 14,317,652</u>		<u>\$ 17,555,188</u>

(XXIII) Interest revenue

	<u>2023</u>		<u>2022</u>
Interest on cash in banks	\$ 7,785		\$ 4,722
Interest income from the financial assets measured at amortized costs	17,500		17,500
Other interest income	176		86
	<u>\$ 25,461</u>		<u>\$ 22,308</u>

(XXIV) Other income

	<u>2023</u>		<u>2022</u>
Dividend income	\$ 102,616		\$ 153,511
Gains on write-off of accounts payable past due	13,222		878
Other income	4,891		20,031
	<u>\$ 120,729</u>		<u>\$ 174,420</u>

(XXV) Other gains and losses

	<u>2023</u>		<u>2022</u>
Net foreign exchange gains	\$ 288		\$ 10,308
Loss on foreign currency valuation	-	(	157)
Gains on disposals of real estate, plant and equipment	43		10,475
Others	(944)	(	2,065)
	<u>(\$ 613)</u>		<u>\$ 18,561</u>

(XXVI) Financial Costs

	<u>2023</u>	<u>2022</u>
Interest expense:		
Bank loan	\$ 39,261	\$ 19,535
Interest expenses of lease liabilities	<u>14,600</u>	<u>6,916</u>
	<u>\$ 53,861</u>	<u>\$ 26,451</u>

(XXVII) Additional information of expenses by nature

	<u>2023</u>	<u>2022</u>
Materials purchased and engineering cost for current period	\$ 12,933,557	\$ 16,089,520
Employee benefit expense	1,492,422	1,492,970
Depreciation expenses for property, plant and equipment	79,562	71,190
Depreciation expenses for right-of-use assets	87,981	75,713
Amortization expenses of intangible assets	4,199	3,866
Expected credit impairment losses	71	235
Other expense	<u>400,874</u>	<u>488,682</u>
Operating costs and expenses	<u>\$ 14,998,666</u>	<u>\$ 18,222,176</u>

(XXVIII) Employee benefit expense

	<u>2023</u>	<u>2022</u>
Wages and salaries	\$ 1,291,586	\$ 1,294,873
Labor and Health Insurance costs	92,099	91,408
Pension expense	42,928	42,291
Directors' Remuneration	3,816	3,500
Other employment fees	<u>61,993</u>	<u>60,898</u>
	<u>\$ 1,492,422</u>	<u>\$ 1,492,970</u>

1. According to the Articles of Incorporation, the Company shall appropriate 1% of the remainder of the profit for the year as profit sharing remuneration for employees after deducting the accumulated losses from the profit for the current year.
2. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at NT\$23,535 and NT\$25,514, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation was estimated and accrued based on 1% of distributable

profit of the current year for the year ended December 31, 2023. The employees' compensation resolved by the Board of Directors was NT\$23,535, which will be distributed in the form of cash.

Employees' compensation of 2022 as resolved by the Board of Directors was consistent with the amount recognized in the 2022 financial statements. The 2022 employees' compensation was distributed in the form of cash.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the board of directors and the shareholders at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(XXIX) Income tax

1. Income tax expense

(1) Components of Income tax expense:

	<u>2023</u>		<u>2022</u>
Current income tax:			
Income tax occurred in the current period	\$ 431,771	\$	471,665
Extra imposed on undistributed earnings	580		191
Land value increment tax	-		369
Overestimation on income tax for prior years	(4,129)	(	(2,291)
Total income tax for current period	<u>428,222</u>		<u>469,934</u>
Deferred income tax:			
Origination and reversal of temporary differences	(490)	(	(4,623)
Total deferred income tax	<u>(490)</u>	(	<u>(4,623)</u>
Income tax expense	<u>\$ 427,732</u>	\$	<u>465,311</u>

(2) Income tax expense relating to components of other comprehensive income:

	<u>2023</u>		<u>2022</u>
Remeasurements of defined benefit obligation	<u>\$ 2,213</u>	\$	<u>1,757</u>

2. The making of any adjustment for differences between the accounting income and taxable income:

	<u>2023</u>		<u>2022</u>	
Imputed income taxes on pre-tax income at a statutory tax rate	\$	465,986	\$	505,168
Income with exemption from tax as stipulated in the tax law	(	35,882)	(	38,126)
Expenses to be excluded as stipulated in the tax law		1,177		-
Overestimation on income tax for prior years	(	4,129)	(	2,291)
Extra imposed on undistributed earnings		580		191
Land value increment tax		-		369
Income tax expense	<u>\$</u>	<u>427,732</u>	<u>\$</u>	<u>465,311</u>

3. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	<u>2023</u>			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred income tax assets:				
- Temporary differences:				
Actuarial gains and losses of pension	\$ 14,210	(\$ 224)	(\$ 2,213)	\$ 11,773
Warranty provision	25,844	1,051	-	26,895
Unrealized gains	10,701	(221)	-	10,480
Income and loss on valuation of financial assets	44,299	-	-	44,299
Loss on market value decline of inventory	<u>200</u>	<u>(116)</u>	<u>-</u>	<u>84</u>
	<u>95,254</u>	<u>490</u>	<u>(2,213)</u>	<u>93,531</u>
Deferred income tax liability:				
- Temporary differences:				
Capital surplus	<u>(13,939)</u>	<u>-</u>	<u>-</u>	<u>(13,939)</u>
	<u>\$ 81,315</u>	<u>\$ 490</u>	<u>(\$ 2,213)</u>	<u>\$ 79,592</u>

	<u>2022</u>			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred income tax assets:				
- Temporary differences:				
Actuarial gains and losses of	\$ 15,760	\$ 207	(\$ 1,757)	\$ 14,210

pension				
Warranty provision	21,144	4,700	-	25,844
Unrealized gains	11,201	(500)	-	10,701
Income and loss on valuation of financial assets	44,299	-	-	44,299
Loss on market value decline of inventory	<u>20</u>	<u>180</u>	<u>-</u>	<u>200</u>
	<u>92,424</u>	<u>4,587</u>	<u>(1,757)</u>	<u>95,254</u>
Deferred income tax liability:				
- Temporary differences:				
Capital surplus	(13,939)	-	-	(13,939)
Unrealized foreign exchange gains	<u>(36)</u>	<u>36</u>	<u>-</u>	<u>-</u>
	<u>(13,975)</u>	<u>36</u>	<u>-</u>	<u>(13,939)</u>
	<u>\$ 78,449</u>	<u>\$ 4,623</u>	<u>(\$ 1,757)</u>	<u>\$ 81,315</u>

4. The Company's income tax returns through 2020 have been assessed as approved by the Tax Authority.

(XXX) Earnings per share

	<u>2023</u>		
	<u>Number of shares</u>	<u>outstanding (thousand</u>	<u>Earnings</u>
	<u>shares) at the end of</u>	<u>the period</u>	<u>per share</u>
	<u>After-tax amount</u>	<u>the period</u>	<u>(NT\$)</u>
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders	<u>\$ 1,902,201</u>	<u>184,950</u>	<u>\$ 10.28</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders	\$ 1,902,201	184,950	
Dilutive potential ordinary shares effecting employee compensation	<u>-</u>	<u>245</u>	
Effects of the net income attributable to ordinary shareholders plus potential common stocks	<u>\$ 1,902,201</u>	<u>185,195</u>	<u>\$ 10.27</u>

	<u>2022</u>	
	<u>Number of shares</u>	<u>Earnings</u>
	<u>outstanding</u>	<u>per share</u>
	<u>(thousand shares) at</u>	<u>(NT\$)</u>
	<u>After-tax amount the end of the period</u>	
<u>Basic earnings per share</u>		
Net income attributable to ordinary shareholders	<u>\$ 2,060,529</u>	<u>184,950</u>
		<u>\$ 11.14</u>
<u>Diluted earnings per share</u>		
Net income attributable to ordinary shareholders	\$ 2,060,529	184,950
Dilutive potential ordinary shares effecting employee compensation	<u>-</u>	<u>238</u>
Effects of the net income attributable to ordinary shareholders plus potential common stocks	<u>\$ 2,060,529</u>	<u>185,188</u>
		<u>\$ 11.13</u>

(XXXI) Cash flow supplementary information

1. Operating and investing activities with no cash flow effects:

	<u>2023</u>	<u>2022</u>
Prepaid equipment transferred to R&D expenses	<u>\$ 1,087</u>	<u>\$ -</u>
Prepayments for business facilities reclassified to property, plant and equipment	<u>\$ 4,511</u>	<u>\$ 6,945</u>

2. Operating and financing activities with no cash flow effects:

	<u>2023</u>	<u>2022</u>
Guarantee deposits received transferred to contract liabilities	<u>\$ 88,274</u>	<u>\$ -</u>

(XXXII) Changes of liabilities from financing activities

		<u>2023</u>			
Short-term borrowings	Short-term bills payable	Long-term borrowings (including due within one year or one operating cycle)	Lease liabilities (including those due within 1 year)	Guarantee deposits received	Total liabilities from financing activities

January 1	\$2,289,000	\$ 569,515	\$ -	\$ 937,421	\$100,353	\$ 3,896,289
Changes of the financing cash flows	(2,289,000)	(470,000)	1,800,000	(83,772)	6,388	(1,036,384)
Newly added lease contracts	-	-	-	80,353	-	80,353
Other non-cash changes	-	481	-	-	(88,274)	(87,793)
December 31	<u>\$ -</u>	<u>\$ 99,996</u>	<u>\$ 1,800,000</u>	<u>\$ 934,002</u>	<u>\$ 18,467</u>	<u>\$ 2,852,465</u>

	<u>2022</u>					
	Short-term borrowings	Short-term bills payable	Long-term borrowings (including due within one year or one operating cycle)	Lease liabilities (including those due within 1 year)	Guarantee deposits received	Total liabilities from financing activities
January 1	\$ 400,000	\$ 269,852	\$ -	\$ 150,793	\$ 10,980	\$ 831,625
Changes of the financing cash flows	1,889,000	300,000	-	(73,953)	89,373	2,204,420
Newly added lease contracts	-	-	-	860,581	-	860,581
Other non-cash changes	-	(337)	-	-	-	(337)
December 31	<u>\$2,289,000</u>	<u>\$ 569,515</u>	<u>\$ -</u>	<u>\$ 937,421</u>	<u>\$100,353</u>	<u>\$ 3,896,289</u>

VII. Transaction with Related Parties

(I) Names of related parties and relationship

<u>Name of the related party</u>	<u>Relationship with the Company</u>
Ruentex Development Co., Ltd. (Ruentex Development)	Parent of the Company
Ruentex Materials Co., Ltd.	Subsidiary of the Company
Ruen Yang Construction Co., Ltd.	Subsidiary of the Company
Ruentex Interior Design Inc.	Sub-subsidiary of the Company
Ruentex Innovative Development Co., Ltd. (Ruentex Innovative Development)	Fellow subsidiary
Ruentex Property Management and Maintenance Co., Ltd.	Fellow subsidiary
Ruentex Construction & Development Co., Ltd.	Fellow subsidiary
Ruentex Industries Ltd. (Ruentex Industries)	Other related parties (A company recognized using the equity method for the parent of the Company)
Ruentex Construction & Engineering Co., Ltd.	Other related party (the Company's management personnel is the representative of the juridical person director of the company)
Nan Shan Life Insurance Co., Ltd. (Nan Shan Life Insurance)	Other related party (one of the parent company's associates is a controlled company of the company)
Nan Shan General Insurance Co., Ltd.	Other related party (one of the parent company's associates is a controlled company of the company)
Shing Yen Construction & Development Co., Ltd.	Other related party (subsidiary of the parent company's associates)
Ruen Hua Dyeing & Weaving Co., Ltd.	Other related party (the Company's management personnel is the representative of the juridical person)

	director of the company)
OBI Pharma, Inc.	Other related party (the Company's substantial related party)
Yi Tai Investment Co., Ltd. (Yi Tai Investment)	Other related party (the Company's management personnel is the representative of the juridical person director of the company)
Ruentex Xing Co. Ltd.	Other related party (its director is the representative of the juridical person director of the Company)
Lee, Chih-Hung	Key management personnel (Chairperson of the Company)
Mo, Wei-Han	Key management personnel (President of the Company and chairperson of the subsidiary)

(II) Significant related party transactions and balances

1. Operating revenue

	<u>2023</u>	<u>2022</u>
Project solicitation:		
- Ruentex Development	\$ 3,680,120	\$ 3,729,845
- Fellow subsidiary	1,325,687	1,536,351
- Other related parties	211,051	28
Sales of Services:		
- Subsidiaries	<u>21,984</u>	<u>14,920</u>
Total	<u>\$ 5,238,842</u>	<u>\$ 5,281,144</u>

The contract price of the contract of construction and services prices are negotiated by both parties and are collected by the due date as stated in the contract.

2. Purchases of goods

	<u>2023</u>	<u>2022</u>
Subsidiaries	\$ 180,785	\$ 224,541
Fellow subsidiary	8	61
Other related parties	<u>4,593</u>	<u>5,085</u>
	<u>\$ 185,386</u>	<u>\$ 229,687</u>

- (1) The purchase price of the abovementioned related parties is determined through negotiation by both parties. The payment of the purchases shall be processed according to the payment terms in the contract.
- (2) Regarding the procurement contracts signed by the Company and related parties, the unfinished procurement contracts and the payment amounts were as follows:

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Total contract amount (tax excluded)</u>	<u>Amount paid</u>	<u>Total contract amount (tax excluded)</u>	<u>Amount paid</u>
Subsidiaries	\$ 443,810	\$ 306,451	\$ 452,446	\$ 247,719
Fellow subsidiary	1,445	1,435	1,445	1,435
	<u>\$ 445,255</u>	<u>\$ 307,886</u>	<u>\$ 453,891</u>	<u>\$ 249,154</u>

3. Receivables from related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable:		
- Parent	\$ 25,561	\$ -
- Fellow subsidiary	28,388	-
	<u>\$ 53,949</u>	<u>\$ -</u>
Accounts receivable:		
- Ruentex Development	\$ 390,589	\$ 27,043
- Fellow subsidiary	105,142	-
- Subsidiaries	1,924	3,385
- Other related parties	32,785	-
	<u>\$ 530,440</u>	<u>\$ 30,428</u>
Other receivables (Note 1):		
- Nan Shan Life Insurance	\$ 9,038	\$ 9,038
- Subsidiaries	520	337
- Other related parties	481	-
	<u>\$ 10,039</u>	<u>\$ 9,375</u>
Contract assets (Note 2):		
- Ruentex Development	\$ 495,061	\$ 384,722
- Fellow subsidiary	169,483	100,484
- Other related parties	14,699	-
	<u>\$ 679,243</u>	<u>\$ 485,206</u>

Note 1: They are the funds of interest receivable and wages and salaries receivable for personnel secondment.

Note 2: mainly the retention money related to construction contracts.

4. Payables to related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes payable:		
- Subsidiaries	\$ 8,836	\$ 11,720
- Fellow subsidiary	-	157
- Other related parties	1,836	908
	<u>\$ 10,672</u>	<u>\$ 12,785</u>
Accounts payable:		

- Subsidiaries	\$	26,093	\$	34,085
- Other related parties		-		6
	\$	<u>26,093</u>	\$	<u>34,091</u>

5. Incomplete work of construction contracting and advance construction receipts

	<u>December 31, 2023</u>	
	<u>Total contract amount (tax excluded)</u>	<u>Amount requested for progress of works</u>
Ruentex Development	\$ 18,840,887	\$ 10,301,935
Ruentex Innovative Development	3,238,857	2,844,305
Fellow subsidiary	491,290	383,946
Other related parties	394,205	279,981
	<u>\$ 22,965,239</u>	<u>\$ 13,810,167</u>

	<u>December 31, 2022</u>	
	<u>Total contract amount (tax excluded)</u>	<u>Amount requested for progress of works</u>
Ruentex Development	\$ 17,232,178	\$ 8,859,136
Ruentex Innovative Development	3,287,708	1,695,268
Fellow subsidiary	453,389	218,702
Other related parties	394,205	-
	<u>\$ 21,367,480</u>	<u>\$ 10,773,106</u>

6. Prepayments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Prepaid rent:		
- Other related parties	<u>\$ -</u>	<u>\$ 3,820</u>

7. Interest revenue

	<u>2023</u>	<u>2022</u>
Interest income from the financial assets measured at amortized costs:		
- Nan Shan Life Insurance	<u>\$ 17,500</u>	<u>\$ 17,500</u>

8. Lease transactions - lessees/rent expenses

- (1) The Company leased land and warehouses from Ruentex Industries and Yi Tai Investment, with the lease term from 2017 through 2022. The contract was renewed with Ruentex Industries in June 2022, with the lease term extended to May 31, 2040, while the right-of-use assets and lease liabilities of NT\$342,534 were recognized. The lease contracts are negotiated individually, with different terms and conditions. The leased assets are neither to be used as collaterals for loans, nor the rights to be transferred to others in the form of business transfer or merge, among other forms.
- (2) The Company signed a land lease contract with Ruentex Industries in June 2020, with the lease term from September 1, 2022 through May 31, 2040, while the right-of-use assets and lease liabilities of NT\$506,812 were recognized. According to the terms and conditions of lease contracts, the leased assets are neither to be used as collaterals for loans, nor the rights to be transferred to others in the form of business transfer or merge, among other forms.
- (3) Rent expenses of short-term lease contracts

	<u>2023</u>	<u>2022</u>
Other related parties	<u>\$ 42,827</u>	<u>\$ 63,600</u>

(4) Lease liabilities

A. Balance at the end of the period

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total amount of lease liabilities	\$ 851,787	\$ 832,819
Less: Due within one year (listed as lease liabilities - current)	<u>(45,743)</u>	<u>(41,825)</u>
	<u>\$ 806,044</u>	<u>\$ 790,994</u>

B. Interest Costs:

	<u>2023</u>	<u>2022</u>
Other related parties	<u>\$ 13,493</u>	<u>\$ 5,471</u>

9. Property transactions

(1) Acquisition of financial Assets

Please refer to the description of Note 6(5)5, 6.

(2) Disposal of assets

On July 1, 2012, the Company sold the inventories, machinery equipment, franchises, and so on assets of the “Building Material Business Division” to Ruentex Materials Co., Ltd. (formerly the RUENTEX CEMENT CO., LTD.). The transaction price was determined with reference to the appraisal report and negotiation by both parties for NT\$80,332. Its gain on disposal was transferred to credit of the equity method investment account title for NT\$33,445. As of December 31, 2023 and 2022, the abovementioned deferred credits (accounted in equity method investment reduction) balance are both NT\$0. The 2023 and 2022 realized gains are NT\$0 and NT\$1,397 respectively, accounted in other revenue.

10. Status of endorsements and guarantees provided by the Company to related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries	<u>\$ 88,368</u>	<u>\$ 31,254</u>

11. Endorsements or Guarantees made by related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Key management personnel	<u>\$ 13,192,870</u>	<u>\$ 7,262,870</u>

(III) Key management compensation information

	<u>2023</u>	<u>2022</u>
Wages and salaries and other short-term employee benefits	\$ 161,428	\$ 167,382
Post-employment benefits	2,487	2,569
Termination benefits	<u>2,500</u>	<u>-</u>
Total	<u>\$ 166,415</u>	<u>\$ 169,951</u>

VIII. Pledged Assets

The Company’s Assets pledged as collateral are as follows:

<u>Asset items</u>	<u>Carrying amount</u>		<u>For guarantee purpose</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	
Other financial assets-current (listed as “other current assets”)	<u>\$ 509,234</u>	<u>\$ 471,590</u>	Engineering contract guarantee deposits, warranties, and so on guarantees

IX. Significant Contingent Liabilities and Unrecognized Commitments

(I) Contingencies

None.

(II) Commitments

Except those described in Note 6(9) and 7, other material commitments are as follows:

1. As of December 31, 2023 and 2022, the total amount of the construction contracts entered into by the Company for construction projects were NT\$46,032,898 and NT\$39,093,704, respectively. Amounts of NT\$29,880,454 and NT\$25,645,919 have been paid, respectively, and the remainder will be paid based on the stage of completion.
2. On the performance bond for contracting major public construction projects, the Company applied to local banks registered with the Ministry of Finance for a guarantee amount and issued guarantee notes totaling NT\$700,000.

X. Significant Disaster Loss

None.

XI. Significant subsequent events

Please refer to Note 6(19).

XII. Others

(一) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return share capital to shareholders, issue new shares or sell Assets in order to adjust to reach the most suitable capital structure. The Company uses the debt-to-capital ratio to monitor its capital, and such ratio is calculated by dividing the net debt by the total capital. Net liabilities are equal to total borrowings (including "current and non-current borrowings" on the balance sheet) deducting cash and cash equivalents. Total capital is the "equity" stated on the balance sheet plus net liabilities.

As of December 31, 2023 and 2022, the debt to total Assets ratio was as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total borrowings	\$ 1,900,000	\$ 2,859,000
Less: Cash and cash equivalents	(604,607)	(1,719,412)
Net debt	1,295,393	1,139,588
Total equity	<u>6,469,254</u>	<u>6,532,481</u>
Total capital	<u>\$ 7,764,647</u>	<u>\$ 7,672,069</u>
Debt-to-total-capital ratio	16.68%	14.85%

(二) Financial instruments

1. Type of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through other comprehensive income acquired - non-Current	<u>\$ 3,696,400</u>	<u>\$ 3,829,288</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 604,607	\$ 1,719,412
Notes receivable (including related parties)	889,164	413,590
Accounts receivable (including related parties)	2,029,531	1,053,874
Other Receivables (including related parties)	11,024	10,525
Amortized cost financial Assets - non-Current	500,000	500,000
Other financial assets (listed as "Other Current Assets")	509,234	471,590

Refundable deposits listed in (“other current assets” and “other non-current assets”)

	<u>35,823</u>	<u>62,169</u>
	<u>\$ 4,579,383</u>	<u>\$ 4,231,160</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial liabilities		
Financial liabilities are carried at amortized cost		
Short-term borrowings	\$ -	\$ 2,289,000
Short-term bills payable	99,996	569,515
Notes payable (including related parties)	689,644	903,513
Accounts payable (including related parties)	2,111,212	2,308,821
Other payables	618,820	566,746
Long-term borrowings (including those due within one year or one operating cycle)	1,800,000	-
Guarantee deposits received (listed as “other non-current liabilities”)	18,467	100,353
	<u>\$ 5,338,139</u>	<u>\$ 6,737,948</u>
Lease liabilities - current and non-current	<u>\$ 934,002</u>	<u>\$ 937,421</u>

2. Risk management policies

- (1) The Company’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company’s overall risk management policy emphasizes the unforeseeable matters of the financial market and seeks to lower the effects from potential disadvantages to the Company’s financial position and performance.
- (2) The risk management work is executed by the Company’s Financial Department according to the policies approved by the Board of Directors. Though close cooperation with the Company’s operating units, the Company’s Financial Department is responsible for the identification, evaluation, and hedging of financial risks. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3. Significant financial risks and degrees of financial risks

(1) Market risk

Foreign exchange risk

- A. The Company’s financial risk management’s objective is to manage currency exchange risk, interests risk, credit risk, and liquidity risk regarding operating activities. To reduce relevant financial risks, the Company is devoted to identifying, evaluating, and circumventing market uncertainties to mitigate the potential negative impacts on the Group’s financial performance due to market movements.
- B. Foreign exchange risk has significant impact on the Company, and the recognized foreign exchange gains (including realized and unrealized) on monetary items were NT\$288 and NT10,151, for the years ended December 31, 2023 and 2022, respectively.

Price risk

- A. The Company's equity instruments exposed to price risk were the financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- B. The Company mainly invests in domestic or foreign equity instruments. The prices of equity instruments is affected by the uncertainty of the future value of investment subject matters. If the prices of these equity instruments had increased/decreased by 1% with all other variables held constant, gains or losses at fair value through other comprehensive income and available-for-sale financial assets for the years ended December 31, 2023 and 2022 would have increased/decreased by NT\$36,964 and NT\$38,293.

Cash flow and fair value interest rate risk

- A. The Company's interest rate risk arises from long-term and short-term borrowings with floating interest rates that expose the Company to cash flow interest rate risk. For 2023 and 2022, the borrowing of the Company at floating interest rate was mainly calculated in NTD.
- B. The borrowing of the Company was measured at amortized cost, and re-pricing was performed according to the annual interest rate specified in the contract. Therefore, the Company is exposed to the risk of future market interest rate change.
- C. If interest rates on borrowings had been 0.1% higher or lower with all other variables held constant, profit after income tax for the years ended December 31, 2023 and 2022 would have increased/decreased NT\$1,440 and NT\$1,831, respectively, due to change of interest expenses of borrowings at variable interest rate.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or transaction counterparties of financial instruments on the contract obligations. Such risk is mainly due to the counterparties cannot repay the accounts payable according to the payment terms, and it is classified as the contract cash flow at amortized cost.
- B. The Company established management of credit risk from the Company's perspective. For corresponding banks and financial institutions, the Company set up to only accept transaction counterparties receiving the credit rating of at least Class "A". According to the internally specified credit extension policy, before each operating entity and each new customer of the Company establish the terms for payment and goods delivery, it is necessary to perform management and credit risk analysis. The internal risk control considers the financial position, past experience and other factors in order to assess the credit quality of customers. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilization of credit limits is regularly monitored.
- C. The Company adopts IFRS 9 to provide preliminary assumption, and when the

payment specified according to the contract term has exceeded 90 days, breach of contract is deemed to have occurred.

- D. The Company uses IFRS to provide the following assumptions, to determine if the credit risks of the financial instrument significantly increased since the initial recognition.

When the contractual payments overdue from the payment terms for more than 30 days, it is deemed the credit risks of the financial instrument significantly increased since the initial recognition.

- E. The indicators for determining the impairment of the debt instrument investment used by the Company is as the following:

(A) The possibilities that an issuer has a significant financial difficulty, or will become bankrupt or financial reorganized;

(B) Due to the financial difficulty of the issuer, such that the active market of the financial asset vanishes;

(C) An issuer delay or fail to repay the interests or principals;

(D) The unfavorable changes to the national or regional economic conditions leading to the default of an issuer.

- F. The Company classifies the accounts payable of customers and contract assets according to the characteristics of customer rating and type, and adopts the simplified method to use the loss rate method as the basis for estimating the expected credit loss.

- G. After the collection procedures, the financial assets amount that cannot be reasonably estimated will be written-off. However, the Company will continue to continue to pursue the legal right of recourse to protect the claims.

- H. The Company used the forecastability of Taiwan Institute of Economic Research report to adjust historical and timely information to assess the default possibility and estimate impairment provisions for accounts receivable (including related parties) and contract assets. As of December 31, 2023 and 2022, the loss rate methodology is as follows:

	<u>Each</u>	<u>Group</u>	<u>Total</u>
<u>December 31, 2023</u>			
Expected loss	0.00%	0%~0.01%	
Total carrying amount	\$ 695,261	\$ 5,877,306	\$ 6,572,567
Allowance for losses	-	306	306
<u>December 31, 2022</u>			
Expected loss	-	0%~0.01%	
Total carrying amount	\$ -	\$ 6,218,529	\$ 6,218,529
Allowance for losses	-	235	235

Individual: The Company's accounts receivable arising from the contracting of construction to a certain customer exceeded the normal credit period. The two parties have negotiated and obtained the negotiation record and payment plan signed by the customer. According to the negotiation record, the Company has retrieved and completed the pre-registration of mortgage on the construction contracted. As of March 13, 2024, the customer had provided relevant documents to the Company in accordance with the negotiation record to preserve the Company's creditor's rights, and had made the payment in accordance with the payment schedule.

Group: Sales counterparty established for 10 years and more, or accounts receivable arising from transactions with related parties and contracts for public construction or to debtors who are a high probability of performing the payment financially.

I. The accounts receivable allowance loss change table under the simplified approach of the Company is as follows:

	<u>2023</u>		<u>2022</u>
January 1	\$	235	\$ -
Provision of impairment loss		<u>71</u>	<u>235</u>
December 31	<u>\$</u>	<u>306</u>	<u>\$ 235</u>

The amounts set forth above are based on the collateral held and other credit enhancements, so the unrecognized allowance for losses was NT\$491,006 and NT\$0 on December 31, 2023 and 2022, respectively.

(3) Liquidity risk

A. The cash flow forecast is executed by each of the operating entities within the Company and summarized by the Company's Financial Department. The Financial Department monitors rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational needs.

B. Remaining cash held by each of the operating entity, when it exceeds the management needs of operating capital, will be transferred back to the Company's Financial Department. The Company's Financial Department then invests the remaining capital in the saving deposit with interest and equivalent cash - repurchase agreements, etc. The instruments selected have appropriate maturity date or sufficient liquidity in order to cope with the aforementioned forecasts and to provide sufficient movement level. As of December 31, 2023 and 2022, the Company held a currency market position at NT\$371,830 and NT\$1,539,915 respectively. It is expected to immediately generate cash flow in managing liquid currency.

C. Details of the loan credit not yet drawn down by the Company is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Due within one year	\$ 4,638,525	\$ 665,000
Due longer than one year	<u>100,000</u>	<u>276,288</u>
	<u>\$ 4,738,525</u>	<u>\$ 941,288</u>

D. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the following table are the contractual undiscounted cash flows:

<u>Non-derivative financial liabilities:</u>			
December 31, 2023	3 months and below	Within 3 months to 1 year	More than 1 year
Short-term notes and bills payable (Note)	\$ 100,000	\$ -	\$ -
Notes payable (including related parties)	686,601	3,043	-
Accounts payable (including related parties)	533,043	888,348	689,821
Other payables (including related parties)	609,530	513	8,777
Long-term borrowings (Note)	600,673	76,201	1,173,864
Lease liabilities (Note)	22,707	77,002	952,680

<u>Non-derivative financial liabilities:</u>			
December 31, 2022	3 months and below	Within 3 months to 1 year	More than 1 year
Short-term borrowings	\$ 2,089,000	\$ 200,000	\$ -
Short-term notes and bills payable (Note)	570,000	-	-
Notes payable (including related parties)	899,916	3,597	-
Accounts payable (including related parties)	1,199,977	610,143	498,701
Other payables (including related parties)	562,523	2,017	2,206
Lease liabilities (Note)	23,597	67,377	969,910

Note: The amount includes the expected interest to be paid in the future.

(三) Fair value information

1. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical Assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed and OTC stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The Company's investment in equity instruments without a active market is included.

2. The carrying amounts of the Company's financial instruments not measured at fair value, including cash and cash equivalents, notes receivable (including related parties), accounts receivable (including related parties), other receivables (including related parties), other financial assets, short-term borrowings, short-term notes payable, notes payable (including related parties), accounts payable (including related parties), other payables, long-term borrowing and other financial liabilities are approximate to their fair values.

3. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics, and risks of the assets and liabilities is as follows:

(1) The Company classifies the assets based on their nature. Related information is as below:

December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial Assets at fair value through other comprehensive income acquired				
Equity securities	<u>\$ 3,615,279</u>	<u>\$ -</u>	<u>\$ 81,121</u>	<u>\$ 3,696,400</u>
December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial Assets at fair value through other comprehensive income acquired				
Equity securities	<u>\$ 3,750,473</u>	<u>\$ -</u>	<u>\$ 78,815</u>	<u>\$ 3,829,288</u>

(2) The methods and assumptions the Company used to measure fair value are as follows:

- A. For the Company's financial instruments traded in active markets, their fair value is measured based on the market quotation at the end of the balance sheet date. The market price of the financial assets held by the Company is the closing market price. These instruments belong to Level 1. (Level 1 instruments are mainly equity instruments. Their classification is financial assets at fair value through other comprehensive income.)
- B. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. Fair value obtained through the valuation techniques may be referenced to the current available fair value, discount cash flow method or valuation techniques of other financial instruments of similar natures and features, including value obtained through market information calculation model on the balance sheet date.
- C. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the balance sheet date. The inputs and pricing information used during valuation are carefully assessed and adjusted based on Current market conditions.
- D. The Company includes credit risk valuation adjustment in the fair value calculation for financial instruments and non-financial instruments to reflect the counterparty credit risk and the credit quality of the Company.
4. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.
5. The following table shows the change of Level 3 for the years ended December 31, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
	<u>Equity securities</u>	<u>Equity securities</u>
January 1	\$ 78,815	\$ 84,277
Gains recognized as other comprehensive income or loss		
Accounted for in unrealized profit or loss on equity investments at fair value through other comprehensive income	<u>2,306</u>	<u>(5,462)</u>
December 31	<u>\$ 81,121</u>	<u>\$ 78,815</u>

6. There have been no occurrences of transfer in or out for Level 3 in 2023 and 2022.

7. The significant non-observable input value quantified information and significant non-observable input value change sensitivity analysis for the valuation model used in relation to the Level 3 fair value measurements are as follows:

	<u>Fair value on</u> <u>December 31, 2023</u>	<u>Valuation</u> <u>techniques</u>	<u>Significant</u> <u>unobservable</u> <u>inputs</u>	<u>Interval</u> <u>(weighted</u> <u>average)</u>	<u>Relationship between</u> <u>inputs and fair value</u>
Non-derivative Equity Instrument:					
Shares of non-TWSE/TPEX listed companies	\$ 81,121	Comparable TWSE/TPEX listed companies	Discount for lack of marketability	20.89%	The higher the marketability discount, the lower the fair value.

	<u>Fair value as of</u> <u>December 31, 2022</u>	<u>Valuation</u> <u>techniques</u>	<u>Significant</u> <u>unobservable</u> <u>inputs</u>	<u>Interval</u> <u>(weighted</u> <u>average)</u>	<u>Relationship between</u> <u>inputs and fair value</u>
Non-derivative Equity Instrument:					
Shares of non-TWSE/TPEX listed companies	\$ 78,815	Comparable TWSE/TPEX listed companies	Discount for lack of marketability	20.34%	The higher the marketability discount, the lower the fair value.

8. The Company carefully assesses and selects the valuation model and valuation parameters used; however, when different valuation model or valuation parameters are used, it may lead to different valuation result. For financial assets classified as Level 3, if there is a change in the valuation parameters, then the impact on profit or loss or other comprehensive income is as follows:

		<u>2023</u>		
		<u>Recognized as other comprehensive income</u>		
	<u>Inputs</u>	<u>Changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>
Financial assets				
Equity Instrument	Discount for lack of marketability	±1%	<u>\$ 811</u>	<u>(\$ 811)</u>

		<u>2022</u>		
		<u>Recognized as other comprehensive income</u>		
	<u>Inputs</u>	<u>Changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>
Financial assets				

Equity Instrument	Discount for lack of marketability	±1%	\$	<u>788</u>	(\$	<u>788</u>)
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XIII. Separately Disclosed Items

(一) Information on significant transactions (including related information on subsidiaries)

1. Loans to others: None.
2. Provision of endorsements and guarantees to others: Please refer to Table 1.
3. Holding of marketable securities at the end of the period (not including subsidiaries, associates): Please refer to Table II.
4. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.

5. Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.
7. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 3.
8. Accounts receivable from related parties of at least NT\$100 million or 20% of the paid-in capital: Table IV.
9. Trading in derivative instruments undertaken during the reporting periods: None.
10. Business relationships and significant intercompany transactions and amount between a parent and its subsidiary company, or between its subsidiaries: Transaction amount reaching NT\$10,000 thousand shall be disclosed in terms of assets and revenue. Please refer to Table 5.

(二) Information on Investees

Names, locations and other information of investees (not including investees in China): Please refer to Table 6.

(三) Information on Investments in China

None.

(四) Information on main investors

Information on main investors: Please refer to Table 7.

XIV. Information on operating segments

Not applicable.

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Endorsements and Guarantees for Others
January 1 to December 31 , 2023

Attached Table 1

Unit: NT\$ thousands

No. (Note 1)	Name of the company making an endorsement/guaran tee	Entity for which the endorsement/guarantee is made Company name	Relations hip (Note 2)	Maximum amount of endorsements/gua rantees permitted to any single entity (Note 3)	Maximum balance of endorsements/gu arantees for the current period (Note 4)	Balance of endorsements/gu arantees at the end of the period (Note 5)	Actual amount drawn (Note 6)	Amount of endorsements /guarantees secured by property	Cumulative amount of endorsements/guara nteas as a percentage of the net worth as stated in the latest financial statement	Maximum amount of endorsements/gua rantees (Note 3)	Endorsements/ guarantees made by the parent for its subsidiaries (Note 7)	Endorsements/ guarantees made by the subsidiary company for its parent (Note 7)	Endorsement s/guarantees made for the entities in China (Note 7)	Remark
0	Ruentex Engineering &	Ruentex Materials Co., Ltd.	1	\$ 924,750	\$ 88,368	\$ 88,368	\$ 88,368	\$ -	1.37	\$ 1,849,500	Y	N	N	

Note 1 : The description of the number column is as follows:

- (1) Indicate " 0 " for issuer .
- (2) Investees are numbered sequentially starting from 1 according to their respective companies .

Note 2 : There are six types of relationships between the endorser/guarantor and the endorsed/guaranteed party as follows, and it suffices to indicate the type:

- (1) Companies with which they have business relationships.
- (2) Subsidiaries in which the Company directly holds more than 50% of common shares;
- (3).The companies in which the parent company and the subsidiary together hold more than 50% of its outstanding ordinary shares.
- (4).The parent company which holds, directly or indirectly through a subsidiary, more than 50% of its outstanding ordinary shares.
- (5) A company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry.
- (6) A company in which each of the capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.

Note 3: The maximum amount of endorsements/guarantees made by the Company shall not exceed 100% or more of the paid-in capital of the Company and the amount of endorsements/guarantees made by the subsidiary for any single entity shall not exceed 50% or more of the paid-in capital of the Company.

Note 4: The highest balance of the endorsement/ guarantee for others in the current year.

Note 5: As of the end of the year, when the company signed the endorsement and guarantee contract with the bank and is approved, the company assumes the endorsement or guarantee responsibilities. Other related endorsements and guarantees shall be included in the balance of the endorsements and guarantees.

Note 6 : The actual drafted amount of the endorsee/guarantee company within the range of the endorsement guarantee balance should be entered.

Note 7 : "Y" shall be entered only for the endorsements/guarantees provided by the listed parent company to a subsidiary, a subsidiary to a listed parent company, or the entities in China.

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries

Securities held at the end of the period (not including investments in subsidiaries, associates and jointly controlled entities)

December 31 , 2023

Attached Table 2

Unit: NT\$ thousands

Company holding the securities	Type and name of the securities (Note 1)	Relationship with the issuer of securities (Note 2)	Account recognized	End of the period				Remark (Note 4)
				Number of shares	Carrying amount (Note 3)	Shareholdin g percentage	Fair value	
Ruentex Engineering & Construction Co., Ltd.	Shares of Ruentex Development Co., Ltd.	The Company is a subsidiary of the company.	Financial assets at fair value through other comprehensive	9,713,457	\$ 366,684	0.34	\$ 366,684	
Ruentex Engineering & Construction Co., Ltd.	Shares of Ruentex Industries Ltd.	A company recognized using the equity method for the parent of the Company	Financial assets at fair value through other comprehensive	50,241,066	3,230,500	4.55	3,230,500	
Ruentex Engineering & Construction Co., Ltd.	Shares of OBI Pharma, Inc.	-	Financial assets at fair value through other comprehensive	260,748	18,097	0.11	18,097	
Ruentex Engineering & Construction Co., Ltd.	Shares of Save & Safe Corporation	-	Financial assets at fair value through other comprehensive	4,267,233	81,121	2.51	81,121	
Ruentex Engineering & Construction Co., Ltd.	Shares of Powertec Electrical Chemicals Corp.	-	Financial assets at fair value through other comprehensive	19,737,629	-	1.39	-	
Ruentex Engineering & Construction Co., Ltd.	Subordinated debts of Nan Shan Life Insurance	One of parent company's affiliates is a controlled company of the company.	Financial assets at amortized cost - non-current	-	500,000	-	-	
Ruentex Materials Co., Ltd.	Shares of Ruentex Industries Ltd.	A company recognized using the equity method for the parent of the Company	Financial assets at fair value through other comprehensive	7,200,236	462,975	0.65	462,975	
Ruentex Materials Co., Ltd.	Shares of OBI Pharma, Inc.	-	Financial assets at fair value through other comprehensive	117,337	8,143	0.05	8,143	
Ruentex Interior Design Inc.	Shares of Ruentex Industries Ltd.	A company recognized using the equity method for the parent of the Company	Financial assets at fair value through other comprehensive	2,598,464	167,081	0.24	167,081	

Note 1: Securities indicated in the Table refer to shares, bonds, beneficiary certificates and securities derived from the items mentioned above within the scope of IFRS No.9.

Note 2: Not required to be filled in for the issuers of securities that are not related parties.

Note 3: Please fill in the value carried at adjusted fair value less accumulated impairment losses for those measured at fair value and the value varied at acquisition cost or amortized cost less accumulated impairment losses for those not measured at fair value.

Note 4: The securities listed that are limited to their use due to the provision of security, pledge loans or others in accordance with the contract shall indicate the number of shares provided for guarantee or pledge, the amount of guarantee or pledge and the limits on the use in the in the column of "Remarks".

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Total purchase from or sale to related parties amounting to at least NT\$100 million or 20% of the paid-in capital
January 1 to December 31, 2023

Attached Table 3

Unit: NT\$ thousands

The company making the purchase (sale) of goods	Name of counterparty	Relationship	Transaction conditions				Difference between the terms and conditions of transaction and the general type of transaction and the reason for any such difference (Note 1)		Notes receivable/payable and accounts receivable/payable and accounts		Remark (Note 2)
			Purchase (sale) of goods	Amount	of total purchases (sales) of goods	Credit period	Unit price	Credit period	Balance	receivable/payable and accounts	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd.	The company is a parent of the Company.	Contract of construction	\$ 3,680,120	21.45	The amount shall be collected in accordance with the term of the construction contract	Negotiated price	The amount shall be collected in accordance with the term of the construction contract	\$ 416,150	14.26	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Innovative Development Co. Ltd.	The company is a fellow subsidiary of the Company.	Contract of construction	1,111,120	6.48	The amount shall be collected in accordance with the term of the construction contract	Negotiated price	The amount shall be collected in accordance with the term of the construction contract	105,142	3.60	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Construction International Co., Ltd.	The company is a fellow subsidiary of the Company.	Contract of construction	214,567	1.25	The amount shall be collected in accordance with the term of the construction contract	Negotiated price	The amount shall be collected in accordance with the term of the construction contract	28,388	0.97	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Xing Co., Ltd.	Other related party (its director is the representative of the juridical person director of the Company)	Contract of construction	211,051	1.23	The amount shall be collected in accordance with the term of the construction contract	Negotiated price	The amount shall be collected in accordance with the term of the construction contract	32,785	1.12	
Ruentex Materials Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	The company is a subsidiary of the Company.	Sales of goods / Contract of construction	151,752	3.81	The amount shall be collected in accordance with the term of the construction/sales contract	Negotiated price	The amount shall be collected in accordance with the term of the construction/sales contract	32,087	3.88	
Ruentex Interior Design Inc.	Ruentex Development Co., Ltd.	The company is a parent of the Company.	Sales of goods / Contract of construction	350,667	23.04	The amount shall be collected in accordance with the term of the construction/services/sales contract	Negotiated price	The amount shall be collected in accordance with the term of the construction/services/sales contract	51,451	11.05	
Ruentex Interior Design Inc.	Ruentex Innovative Development Co. Ltd.	The company is a fellow subsidiary of the Company.	Contract of construction	295,611	19.43	The amount shall be collected in accordance with the term of the construction contract	Negotiated price	The amount shall be collected in accordance with the term of the construction contract	146,567	31.46	

Note 1: If the terms and conditions of transaction with the related parties are different from the general terms and conditions of transaction, the difference and the reason for any such difference shall be specified in the column of unit price and the credit period.

Note 2: In the case of prepayments in advance (or advance receipts), the reasons, the terms and conditions of the contract, the amount and the difference between the general type of transactions shall be specified in the column of Remarks.

Note 3: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Note 4: Calculate from the perspective of the entity of the company making the purchase (sale) of goods.

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Accounts receivable due from related parties amounting to at least \$100 million or 20% of the paid-in capital
December 31 , 2023

Attached Table 4

Unit: NT\$ thousands

The company recognized as receivables	Name of counterparty	Relationship	Balance of accounts receivable due from related parties (Note 1)	Turnover	Overdue accounts receivable due from related parties		Recovered amount in subsequent periods for accounts receivable due from related parties	Provision for allowance for bad debts	Remarks
					Amount	Approach to handling			
Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd.	The Company is a subsidiary of the company.	\$ 416,150	16.61	\$ -	-	\$ 416,150	\$ -	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Innovative Development Co. Ltd.	The Company is a fellow subsidiary of the company.	105,142	21.14	-	-	105,142	-	
Ruentex Interior Design Inc.	Ruentex Innovative Development Co. Ltd.	(A subsidiary of the ultimate parent company of the Company)	146,567	4.03	-	-	139,239	-	

Note 1: Please fill in the value separately according the accounts receivable, notes receivable and other receivables.

Note 2: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Business relationships and significant intercompany transactions and amount between a parent and its subsidiary company, or between its subsidiaries
January 1 to December 31, 2023

Attached Table 5

Unit: NT\$ thousands

No. (Note 1)	Name of the transaction party	Transaction counterparty	Relationship with the transaction party (Note 2)	Transaction information			As a percentage of the consolidated total operating revenue or total assets (Note 3)
				Account	Amount	Terms and conditions of transaction	
0	Ruentex Engineering & Construction Co., Ltd.	Ruentex Materials Co., Ltd.	1	Service revenue	\$ 21,984	Processed based on the general terms and conditions	0.10%
1	Ruentex Materials Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	2	Sales revenue	136,259	Processed based on the general terms and conditions	0.61%
	Ruentex Materials Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	2	Construction contract revenue	15,493	Processed based on the general terms and conditions	0.07%
	Ruentex Materials Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	2	Receivable	32,087	Processed based on the general terms and conditions	0.15%
2	Ruen Yang Construction Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	2	Construction contract revenue	34,073	Processed based on the general terms and conditions	0.15%

Note 1: The information about business transactions between the parent and the subsidiary shall be indicated in the column of No. respectively. Details on how to filled in No. are as follows:

- (1) Indicate " 0 " for the parent company .
- (2) Subsidiaries are numbered sequentially starting from 1 according to the company type.

Note 2 : There are three types of relationship with the transaction party as follows, and the type is sufficient (if it is the same transaction between parent company and subsidiaries or between subsidiaries, it is not necessary to repeat the disclosure. For example, in the case of the transaction between the parent or its subsidiary, if the parent has disclosed the information, the subsidiary is not required to make a duplicate disclosure; and in the case of the transaction between subsidiaries, if one of the subsidiaries has disclosed the information, the other subsidiary is not required to make a duplicate disclosure.):

- (1) From parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: The transaction amount as a percentage of the consolidated total operating revenue or total assets shall be calculated at the balance at the end of period as a percentage of the consolidated total assets for assets or liabilities items, and the interim cumulative amount as a percentage of the consolidated total operating revenue for profits or losses items.

Note 4: Transactions amounting to NT\$10,000 shall be disclosed. The information shall be also disclosed from the asset side and revenue side.

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
The name of the invested company, the location and other relevant information (excluding the invested companies in China)
January 1 to December 31, 2023

Attached Table 6

Unit: NT\$ thousands

Name of the investing company	Name of the investee company (Notes 1 and 2)		Main business items	Original investment amount		Holding at the end of period			and loss of the investee company	on investment recognized for the current period	Remark
		Location		of the current per	End of last year	Shares	Percentage	Carrying amount			
Ruentex Engineering & Construction Co., Ltd.	Ruentex Materials Co., Ltd.	Taiwan	Building materials production and	\$ 695,548	\$ 695,548	58,726,917	39.15	\$ 840,729	\$ 114,983	\$ 45,017	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Design and Construction of	82,365	82,365	2,745,483	20.34	101,107	148,069	30,113	
Ruentex Engineering & Construction Co., Ltd.	Ruen Yang Construction Co., Ltd.	Taiwan	Civil Engineering Projects	5,408	5,408	600,000	100.00	6,056	1,666	1,666	
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Design and Construction of	126,721	126,721	4,750,000	35.19	174,927	148,069	52,098	

Note 1: For public companies with an overseas holding company and a consolidated financial report as its principal financial report according to the local laws and regulations must disclose only related information to that holding company, which is an overseas investee.

Note 2: Those who do not fall under the circumstances described in Note 1 shall be filled in according to the following rules:

(1) The columns of "Investee," "Location," "Main business items," "Original investment amount" and "Ownership, end of the period" shall be filled out based on the (public) Company's investment status and the investment situation of each investee directly or indirectly controlled in order, and the relationship between each investee and the (public) Company (e.g., a subsidiary or a sub-subsidiary) shall be indicated in the remarks column.

(2) In the column "Current profit or loss on investee," the amount of current profit or loss on each investee shall be entered.

(3) In the column "Investment gains and losses recognized in the current period," only the amount of profit or loss on each subsidiary recognized by the (public) Company as direct investment and on each investee measured by the equity method shall be entered, and the rest is not required to be entered. When filling in the "Recognized amount of current profit or loss on each subsidiary directly invested," it shall be confirmed that the amount of the current profit or loss on each subsidiary has included the investment gains and losses that shall be recognized in accordance with the regulations for its investment.

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries
Information on main investors
December 31 , 2023

Attached Table 7

Unit: Shares

Name of Major Shareholders	Shares	
	Number of shares held	Shareholding percentage
Ruentex Development Co., Ltd.	72,397,456	39.14
Ruentex Industries Ltd. Co.	16,821,685	9.09
Yi Tai Investment Co., Ltd.	13,785,607	7.45
Yingjia Investment Co., Ltd.	11,558,690	6.24

Ruentex Engineering & Construction Co., Ltd.
Statement of cash and cash equivalents
December 31, 2023

Statement 1

Unit: NT\$ thousands

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Cash on hand and revolving funds		\$ 3,540
Checking deposits		229,237
Demand deposits		93,405
Cash equivalents - Bonds under repurchase agreements	Period: December 28, 2023 - January 5, 2024, interest rate 0.62%	<u>278,425</u>
		<u>\$ 604,607</u>

Ruentex Engineering & Construction Co., Ltd.
Statement of bills receivable
December 31, 2023

Statement 2

Unit: NT\$ thousands

Customer Name	Summary	Amount	Remarks
YEONG GUAN HOLDINGS CO., LIMITED TAIWAN BRANCH (B.V. I.)		\$ 545,798	
Futsu Construction Co., Ltd.		288,895	
Other sporadic customers		522	The balance of each sporadic customer has not exceed 5% of the account title
		<u>\$ 835,215</u>	

Ruentex Engineering & Construction Co., Ltd.
Statement of accounts receivable
December 31, 2023

Statement 3

Unit: NT\$ thousands

Customer Name	Summary	Amount	Remarks
GENERAL BIOLOGICALS CORP.		\$ 695,261	
Molie Quantum Energy Corporation		170,677	
Exyte Singapore Pte. Ltd. Taiwan Branch (Singapore)		138,871	
United Integrated Services Co., Ltd.		133,031	
Taiwan Semiconductor Manufacturing Co., Ltd.		99,100	
TransGlobe Life Insurance Inc.		75,857	
Other sporadic customers		186,600	The balance of each sporadic customer has not exceed 5% of the account title
		1,499,397	
Less: Allowance for loss		(306)	
		<u>\$ 1,499,091</u>	

Ruentex Engineering & Construction Co., Ltd.
Statement of changes to in-progress construction
January 1, 2023 to December 31, 2023

Statement 4

Unit: NT\$ thousands

<u>Name of Construction Site</u>	<u>Balance at the beginning</u> <u>of the period</u>	<u>Construction cost</u>	<u>Construction profit</u> <u>(loss)</u>	<u>Completed and</u> <u>transferred out</u>	<u>Balance at the end of</u> <u>the period</u>
1104	\$ 1,246,048	\$ 5,157	\$ 581	\$ -	\$ 1,251,786
1118	2,522,626	969,281	98,299	-	3,590,206
1819	1,372,817	4,314	(769)	(1,376,362)	-
1829	1,089,108	42,738	2,501	(1,134,347)	-
1902	1,464,216	48,453	4,039	(1,516,708)	-
1903	465,172	187,931	25,615	-	678,718
1914	404,362	244,772	33,362	-	682,496
1916	955,044	316,377	42,525	-	1,313,946
2003	425,008	400,882	54,640	-	880,530
2004	1,125,729	933,425	103,704	-	2,162,858
2006	3,104,897	15,561	4,585	-	3,125,043
2009	707,920	750	848	(709,518)	-
2013	906,638	1,131	163	(907,932)	-
2018	1,908,563	986,234	124,886	-	3,019,683
2020	213,133	184,507	30,019	-	427,659
2023	4,998,120	296,735	53,501	(5,348,356)	-
2026	409,105	444,711	59,315	-	913,131
2102	154,383	172,472	17,253	-	344,108
2103	325,068	503,744	33,453	-	862,265
2105	223,979	259,367	36,936	-	520,282
2107	1,182,021	-	14	-	1,182,035
2111	827,940	(126)	42	-	827,856
2112	1,308,340	6,262	(498)	-	1,314,104

Ruentex Engineering & Construction Co., Ltd.
Statement of changes to in-progress construction (continued)
January 1, 2023 to December 31, 2023

Statement 4

Unit: NT\$ thousands

<u>Name of Construction Site</u>	<u>Balance at the beginning of the period</u>	<u>Construction cost</u>	<u>Construction profit (loss)</u>	<u>Completed and transferred out</u>	<u>Balance at the end of the period</u>
2115	\$ 4,002,750	\$ 674,372	\$ 316,973	\$ -	\$ 4,994,095
2116	361,206	143,744	10,324	-	515,274
2201	1,304,288	1,101,613	466,958	-	2,872,859
2204	198,354	1,086,076	172,628	-	1,457,058
2210	299,265	1,426,649	443,742	-	2,169,656
2213	28	193,466	17,585	-	211,079
2214	299,001	134,532	140,056	-	573,589
2216	4,254	302,151	45,323	-	351,728
2219	19,222	518,979	53,100	-	591,301
2222	3,175	395,971	62,993	-	462,139
2223	80	397,039	59,568	-	456,687
2225	-	638,621	115,861	-	754,482
2226	-	238,445	41,674	-	280,119
2305	-	203,844	23,145	-	226,989
1904, etc.	<u>1,039,177</u>	<u>834,685</u>	<u>127,188</u>	<u>(350,659)</u>	<u>1,650,391</u>
Total of construction-in-progress	<u>\$ 34,871,037</u>	<u>\$ 14,314,865</u>	<u>\$ 2,822,132</u>	<u>(\$ 11,343,882)</u>	<u>\$ 40,664,152</u>
		Accounted in contract asset:			<u>\$ 26,777,856</u>
		Accounted in contract liability reduction:			<u>\$ 13,886,296</u>

Ruentex Engineering & Construction Co., Ltd.
Statement of prepayments
December 31, 2023

Statement 5

Unit: NT\$ thousands

Item	Amount	Remarks
Prepayment for purchases	\$ 315,533	
Prepaid rent	9,424	
Other prepayments	21,617	
	<u>\$ 346,574</u>	

Ruentex Engineering & Construction Co., Ltd.
Statement of other current assets
December 31, 2023

Statement 6

Unit: NT\$ thousands

Item	Summary	Amount	Remarks
Contract of construction and performance bonds		\$ 509,234	
Guarantee deposits paid		26,879	
Others		15,482	
		<u>\$ 551,595</u>	

Ruentex Engineering & Construction Co., Ltd.
Statement of changes in financial assets measured at fair value through profit or loss - non-Current
January 1, 2023 to December 31, 2023

Statement 7

Unit: NT\$ thousands

Name	Balance at the beginning of the period		Increase in the current period		Decrease in the current period		Balance at the end of the period		Provided as a guarantee or hedge	Remark
	Number of shares	Fair value	Number of shares	Amount	Number of shares	Amount	Number of shares	Fair value		
Ruentex Development Co., Ltd.	10,792,731	\$ 466,786	-	\$ -	(1,079,274)	(\$ 100,103)	9,713,457	\$ 366,683	Nil	Note 1
Ruentex Industries Ltd.	50,241,066	3,265,669	-	-	-	(35,169)	50,241,066	3,230,500	Nil	Note 2
OBI Pharma, Inc.	260,748	18,018	-	78	-	-	260,748	18,096	Nil	Note 3
Powertec Electrical Chemicals Corp.	19,737,629	-	-	-	-	-	19,737,629	-	Nil	
Save& Safe Co. Ltd.	4,267,233	78,815	-	2,306	-	-	4,267,233	81,121	Nil	Notes 4
		<u>\$ 3,829,288</u>		<u>\$ 2,384</u>		<u>(\$ 135,272)</u>		<u>\$ 3,696,400</u>		

Note 1: The decrease in current period is mainly due to the capital reduction of 1,079,274 shares, amounting to \$10,793 and the change due to the loss measured at fair value of \$89,310.

Note 2: The decrease during this period is mainly due to the loss on fair value measurement of NT\$35,169.

Note 3: The increase during this period is mainly due to the profit on fair value measurement of NT\$78.

Note 4: The increase during this period is mainly due to the profit on fair value measurement of NT\$2,306.

Ruentex Engineering & Construction Co., Ltd.
Statement of financial Assets at amortized cost - non-Current
January 1, 2023 to December 31, 2023

Statement 8

Unit: NT\$ thousands

Name	Beginning of Period		Increased in the current period		Decreased in the current period		End of Period		Provided as a guarantee or hedge	Remarks
	Number of shares	Carrying amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Carrying amount		
Subordinated corporate bonds	500	<u>\$ 500,000</u>	-	<u>\$ -</u>	-	<u>\$ -</u>	500	<u>\$ 500,000</u>	Nil	

Ruentex Engineering & Construction Co., Ltd.
Statement of changes in investments accounted for using the equity method
January 1, 2023 to December 31, 2023

Statement 9

Unit: NT\$ thousands

Name	Balance at the beginning of the period		Increase in the current period (Note 1)		Decrease in the current period (Note 2)		Balance at the end of the period			Market price or net value of equity		Provided as a guarantee or hedge	Remarks
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Shareholding percentage	Amount	Unit price (NT\$)	Total price (Note 3)		
Ruentex Materials Co., Ltd. (Ruentex Materials)	58,726,917	\$ 810,385	-	\$ 46,124	-	(\$ 15,780)	58,726,917	39.15%	\$ 840,729	\$ 24.95	\$ 1,465,237	Nil	
Ruentex Interior Design Inc. (Ruentex Design)	2,745,483	92,048	-	30,113	-	(21,054)	2,745,483	20.34%	101,107	177.50	487,323	Nil	
Ruen Yang Construction Co., Ltd. (Ruen Yang)	600,000	4,390	-	1,666	-	-	600,000	100.00%	6,056	10.09	6,056	Nil	
		<u>\$ 906,823</u>		<u>\$ 77,903</u>		<u>(\$ 36,834)</u>			<u>\$ 947,892</u>		<u>\$ 1,958,616</u>		

Note 1: Refers to investment gains recognized using the equity method, and unrealized gross profit among affiliates realized in the current period.

Note 2: Refers to cash dividends, actuarial gains and losses of pension, and other movements.

Note 3: Ruentex Materials and Ruentex Interior Design are calculated based on market price. Ruen Yang is calculated based on net worth of equity.

Ruentex Engineering & Construction Co., Ltd.
Statement of changes in real estate, plant and equipment
January 1, 2023 to December 31, 2023

Statement 10

Unit: NT\$ thousands

Item	Beginning balance	Increased in the current period	Decreased in the current period	Transferred in the current period	Ending balance	Provision of pledge	Remarks
Cost							
Buildings and structures	\$ 265,534	\$ -	\$ -	\$ -	\$ 265,534	Nil	
Machinery and equipment	435,661	36,501	(437)	6,380	478,105	"	
Transportation equipment	26,167	2,898	(1,300)	-	27,765	"	
Office equipment	87,071	15,321	(5,367)	-	97,025	"	
Leasehold improvements	45,058	19,120	-	8,933	73,111	"	
Miscellaneous equipment	132,025	53,643	(333)	-	185,335	"	
Construction in progress	10,802	-	-	(10,802)	-		
	1,002,318	<u>\$ 127,483</u>	<u>(\$ 7,437)</u>	<u>\$ 4,511</u>	1,126,875		
Accumulated depreciation							
Buildings and structures	(149,860)	(\$ 6,599)	\$ -	\$ -	(156,459)		
Machinery and equipment	(369,311)	(22,121)	437	-	(390,995)		
Transportation equipment	(18,971)	(2,167)	1,300	-	(19,838)		
Office equipment	(61,166)	(12,530)	5,301	-	(68,395)		

Ruentex Engineering & Construction Co., Ltd.
Statement of changes in real estate, plant and equipment
January 1, 2023 to December 31, 2023

Statement 10

Unit: NT\$ thousands

Leasehold improvements	(	16,396	(	3,588	-	-	)	19,984	
Miscellaneous equipment	(	78,323	(	32,557	333	-	)	110,547	
					<u>\$</u>		(	766,218	
Carrying amount	(	694,027	<u>(\$</u>	<u>79,562)</u>	<u>\$</u>	<u>7,371</u>	-)	<u>\$</u>	<u>360,657</u>
		<u>\$</u>	<u>308,291</u>						

Explanation: For more details in depreciation method and years of useful life for real estate, plant and equipment please refer to Note 4(13).

Ruentex Engineering & Construction Co., Ltd.
Detailed changes of right-of-use assets
January 1, 2023 to December 31, 2023

Statement 11

Unit: NT\$ thousands

Item	Beginning balance	Increased in the current period	Decreased in the current period	Ending balance	Remark
Cost:					
Land	\$ 894,673	\$ 75,647	(\$ 45,329)	\$ 924,991	
Buildings	146,453	-	-	146,453	
Transportation equipment	4,323	4,706	(4,323)	4,706	
	1,045,449	80,353	(49,652)	1,076,150	
Accumulated Depreciation:					
Land	(58,221)	(57,210)	45,329	(70,102)	
Buildings	(48,819)	(29,289)	-	(78,108)	
Transportation equipment	(3,608)	(1,482)	4,323	(767)	
	(110,648)	(87,981)	49,652	(148,977)	
Carrying amount	<u>\$ 934,801</u>	<u>(\$ 7,628)</u>	<u>\$ -</u>	<u>\$ 927,173</u>	

Ruentex Engineering & Construction Co., Ltd.
Statement of bills payable
December 31, 2023

Statement 12

Unit: NT\$ thousands

Vendor Name	Amount	Remarks
Engineering Co., Ltd.	\$ 58,091	
TAH CHUNG STEEL CORPORATION	46,912	
Too ho engineering co., Ltd.	45,860	
Other sporadic customers	528,109	The balance of each sporadic customer has not exceed 5% of the account title
	<u>\$ 678,972</u>	

Ruentex Engineering & Construction Co., Ltd.
Statement of accounts payable
December 31, 2023

Statement 13

Unit: NT\$ thousands

Vendor Name	Summary	Amount	Remarks
Engineering Co., Ltd.		\$ 110,361	
Other sporadic customers		1,974,758	The balance of each sporadic customer has not exceed 5% of the account title
		<u>\$ 2,085,119</u>	

Ruentex Engineering & Construction Co., Ltd.
Statement of changes to prepayments of construction funds
January 1, 2023 to December 31, 2023

Statement 14

Unit: NT\$ thousands

<u>Name of Construction Site</u>	<u>Balance at the beginning of the period</u>	<u>Increase in the current</u> <u>period</u>	<u>Decrease in the current period</u>	<u>Balance at the end of the period</u>
1104	\$ 1,237,605	\$ -	\$ -	1,237,605
1118	2,318,486	1,201,241	-	3,519,727
1819	1,375,327	1,035 (	1,376,362)	-
1829	963,761	170,586 (	1,134,347)	-
1902	1,306,698	210,010 (	1,516,708)	-
1903	433,180	199,900	-	633,080
1914	365,913	227,082	-	592,995
1916	845,272	420,507	-	1,265,779
2003	401,802	416,183	-	817,985
2004	973,053	1,086,147	-	2,059,200
2006	3,160,041	-	-	3,160,041
2009	709,913	(395	(709,518)	-
2010	203,745	(22,667)	(181,078)	-
2013	905,691	2,241 (	907,932)	-
2018	1,695,268	1,149,038	-	2,844,306
2020	207,267	165,244	-	372,511
2023	4,138,529	1,209,827 (	5,348,356)	-
2026	445,394	427,802	-	873,196
2102	372,027	261,986	-	634,013
2103	162,279	430,406	-	592,685
2105	290,724	251,964	-	542,688

Ruentex Engineering & Construction Co., Ltd.
Statement of changes to prepayments of construction funds (continued)
January 1, 2023 to December 31, 2023

Statement 14

Unit: NT\$ thousands

<u>Name of Construction Site</u>	<u>Balance at the beginning of the period</u>	<u>Increase in the current period</u>	<u>Decrease in the current period</u>	<u>Balance at the end of the period</u>
2107	\$ 1,243,288	\$ -	\$ -	1,243,288
2111	740,082	-	-	740,082
2112	1,316,512	-	-	1,316,512
2115	3,209,551	1,074,529	-	4,284,080
2116	399,660	70,586	-	470,246
2201	1,170,341	1,751,848	-	2,922,189
2204	264,194	1,104,775	-	1,368,969
2210	143,937	1,967,446	-	2,111,383
2213	-	279,981	-	279,981
2214	517,249	70,156	-	587,405
2216	13,333	257,238	-	270,571
2219	-	814,420	-	814,420
2221	-	219,737	-	219,737
2222	-	886,179	-	886,179
2223	-	472,836	-	472,836
2225	-	910,026	-	910,026
2226	-	360,739	-	360,739
2305	-	700,563	-	700,563
1904, etc.	964,342	667,069	(169,583)	1,461,828
Total prepayments of construction funds	<u>\$ 32,494,464</u>	<u>\$ 19,416,265</u>	<u>(\$ 11,343,884)</u>	<u>\$ 40,566,845</u>
			Accounted in contract liability:	<u>\$ 16,040,016</u>
			Accounted in contract asset reduction:	<u>\$ 24,526,829</u>

Ruentex Engineering & Construction Co., Ltd.
Statement of short-term bills payable
December 31, 2023

Statement 15

Unit: NT\$ thousands

Item	Guarantee or acceptance institution	Time-limit for contract	Interest rate collars	Amount Issuing amount	Unamortized bond discount	Carrying amount	Mortgage or guarantee	Remarks
Commercial papers payable	Taiwan Finance Corporation	2023.07.06-2024.07.05	1.45%	<u>\$ 100,000</u>	<u>(\$ 4)</u>	<u>\$ 99,996</u>	Issuing guarantee notes NTD 100,000	

Ruentex Engineering & Construction Co., Ltd.
Statement of long-term borrowings
December 31, 2023

Statement 16

Unit: NT\$ thousands

Creditor	Summary	Amount borrowed	Time-limit for contract	Interest Rate	Mortgage or guarantee	Remarks
Taishin Bank	Credit Loan	\$ 600,000	2023.07.26-2025.07.26	1.95%	Issuing guarantee notes NT\$600,000	Repayable once upon maturity every 180 days, and may be drawn on a revolving basis
Land Bank of Taiwan	"	600,000	2023.07.21-2026.07.21	2.02%	Issuing guarantee notes NT\$1,200,000	The principal does not need to be amortized in the first year, and is amortized on a quarterly basis starting from the second year
Far Eastern International Bank Co., Ltd.	"	600,000	2023.07.26-2026.07.24	1.99%	Issuing guarantee notes NT\$900,000	Evenly amortized on a quarterly basis from the third year
Less: Due within one year		(75,000)				
		<u>\$ 1,725,000</u>				

Ruentex Engineering & Construction Co., Ltd.
Statement of other non-current liabilities
December 31, 2023

Statement 17

Unit: NT\$ thousands

Item	Summary	Amount	Remark
Accrued pension liabilities		\$ 84,542	
Warranty provision		134,473	
Guarantee deposits received		18,467	
		<u>\$ 237,482</u>	

Ruentex Engineering & Construction Co., Ltd.
Statement of operating revenue
January 1, 2023 to December 31, 2023

Statement 18

Unit: NT\$ thousands

Item	Summary	Amount	Remarks
Revenue from construction contracts		\$ 17,130,098	
Revenue from contract for service		28,882	
		<u>\$ 17,158,980</u>	

Ruentex Engineering & Construction Co., Ltd.
Statement of operating costs
January 1, 2023 to December 31, 2023

Statement 19

Unit: NT\$ thousands

Item	Amount	
	Subtotal	Total
Cost of sales		
Beginning inventory	\$ 17,292	
Add: Materials purchased in the current period	623,670	
Less		
: Ending inventory	(21,921)	
Transferred to construction cost	(384,286)	
Transferred to manufacturing, administration, and R&D expenses	(3,217)	
Raw materials consumption in the current period	231,538	
Direct labor (belongs to wages and salaries NT\$91,110)	117,597	
Production overheads	256,773	
Finished goods cost	605,908	
Less		
: Transferred to construction cost	(585,959)	
Transferred to processing cost (services cost)	(19,949)	
Total cost of sales		\$ -
Construction cost		
Materials purchased in the current period (including raw materials and finished goods transfer in at NT\$970,245)	12,155,749	
Construction labor	1,146,135	
Construction expenses	1,012,981	
Invested construction cost for the current period	14,314,865	
Add: Beginning construction-in-progress	34,871,037	
Gain from percentage completion of construction recognized in the current period	2,822,132	
Less		
: Ending construction-in-progress	(40,664,152)	
Transfer out amount for percentage completion of construction	(11,343,882)	
Revenue from sales of scraps	(16,580)	
	(582)	
Loss on market value decline of inventory)	
	(856)	
Transfer to services cost)	

Ruentex Engineering & Construction Co., Ltd.
Statement of operating costs
January 1, 2023 to December 31, 2023

Statement 19

Unit: NT\$ thousands

Construction cost recognition using the completion ratio	14,314,865	
Add: method for the current period		
Total construction cost		14,296,847
Services cost (including finished goods transfer in NT\$19,949 and construction costs transfer in NT\$856)		20,805
		<u>\$</u>
Total operating costs		<u>14,317,652</u>

Ruentex Engineering & Construction Co., Ltd.
Statement of production overheads
January 1, 2023 to December 31, 2023

Statement 20

Unit: NT\$ thousands

Account		Amount	Remarks
Wages and salaries	\$	104,527	
Depreciation expense		72,683	
Others		79,563	No expense exceeded 5% of this account.
	\$	<u>256,773</u>	

Ruentex Engineering & Construction Co., Ltd.
Statement of engineering expenses
January 1, 2023 to December 31, 2023

Statement 21

Unit: NT\$ thousands

Account	Amount	Remarks
Wages and salaries	\$ 639,695	
Rent expenses	105,902	
Others	267,384	No expense exceeded 5% of this account.
	<u>\$ 1,012,981</u>	

Ruentex Engineering & Construction Co., Ltd.
Statement of selling expenses
January 1, 2023 to December 31, 2023

Statement 22

Unit: NT\$ thousands

Account		Amount	Remarks
Wages and salaries	\$	45,678	
Tax payment		25,183	
Others		6,005	No expense exceeded 5% of this account.
	\$	<u>76,866</u>	

Ruentex Engineering & Construction Co., Ltd.
Statement of administrative and general affairs expenses
January 1, 2023 to December 31, 2023

Statement 23

Unit: NT\$ thousands

Account		Amount	Remarks
Wages and salaries	\$	394,547	
Depreciation expense		40,724	
Insurance expenses		34,668	
Others		99,530	No expense exceeded 5% of this account.
	\$	<u>569,469</u>	

Ruentex Engineering & Construction Co., Ltd.
Statement of R&D expenses
January 1, 2023 to December 31, 2023

Statement 24

Unit: NT\$ thousands

Account	Amount	Remarks
Wages and salaries	\$ 16,029	
Material expenses	4,953	
Amortization expense	2,368	
Commissioned research expenses	3,900	
Others	7,358	No expense exceeded 5% of this account.
	<u>\$ 34,608</u>	

Ruentex Engineering & Construction Co., Ltd.
Summary table for employee benefits, depreciation, depletion and amortization expenses incurred during the current period
January 1, 2023 to December 31, 2023

Statement 25

Unit: NT\$ thousands

By function	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employment fees						
Wages and salaries	\$ 835,332	\$ 456,254	\$ 1,291,586	\$ 839,843	\$ 455,030	\$ 1,294,873
Labor and Health	59,959	32,140	92,099	60,927		
Insurance costs					30,481	91,408
Pension expense	28,058	14,870	42,928	28,608	13,683	42,291
Directors'	-	3,816	3,816	-		
Remuneration					3,500	3,500
Other employee	28,747	33,246	61,993	29,126	31,772	60,898
benefit expense						
Depreciation expense	125,644	41,899	167,543	105,598	41,305	146,903
Amortization	304	3,895	4,199	51	3,815	3,866

Notes:

1. The number of employees for the current year and the previous year are 1,014 and 1,005 people, respectively. There are 7 directors who are not concurrently employees for the current year and the previous year.

2. Shall the shares of the company listed and traded in TWSE or TPEX, the following information shall be disclosed:

(1) The averaged employees' benefit expenses of the year was NT\$1,478 (Total of employees' benefit expenses - total remunerations of directors of the year/ number of the employees - numbers of directors no concurring employees of the year).

The averaged employees' benefit expenses of the previous year was NT\$1,492 (Total of employees' benefit expenses - total remunerations of directors of the previous year/ number of the employees - numbers of directors no concurring employees of the previous year).

(2) The averaged employees' salary expenses of the year was NT\$1,283 (Total of salary expenses of the year/ number of the employees - numbers of directors no concurring employees of the year).

Ruentex Engineering & Construction Co., Ltd.
Summary table for employee benefits, depreciation, depletion and amortization expenses incurred during the current period
January 1, 2023 to December 31, 2023

Statement 25

Unit: NT\$ thousands

The averaged employees' salary expenses of the previous year was NT\$1,297 (total of salary expenses of the previous year/ number of the employees - numbers of directors who did not serve concurrently as employees of the previous year).

(3) The average adjustment to employees' salary expenses was (1.08)% (Average salary expenses of the year - average salary expenses of the previous year/ average salary expenses of the previous year).

(4) Remuneration
policy of the Company

A. Director salary and remuneration
policy:

Regulations relating to the director remuneration is stated mainly in the Company's "Articles of Incorporation". The Board of Directors is authorized to decide the remuneration amount based on the director's involvement in the Company's operation and contribution with reference to industry standard. After the Remuneration Committee makes its suggested proposal, it is submitted to the Board for discussion.

Ruentex Engineering & Construction Co., Ltd.

Summary table for employee benefits, depreciation, depletion, and amortization expenses incurred during the current period (continued)

January 1, 2023 to December 31, 2023

Statement 25

Unit: NT\$ thousands

B. Managerial officer salary and remuneration policy:

The salary and remuneration of the Company's managerial officers shall be made with reference to industry standards and taking into account of the individual performance evaluation results, the time invested, job responsibility, achievement of objectives, performances in other posts, and compensation to the equivalent ranks within the Company in recent years. Furthermore, the Company also considers its achievements in short-term and long-term business objectives, the reasonableness of the correlation between remuneration and individual performance, the Company's business performance, and future risk exposure. After the Remuneration Committee makes its suggested proposal, it is submitted to the Board for discussion.

C. Employee salary and remuneration policy:

The employee salary approval is based on the Company's "Salary Management Regulations" and the related bonus and subsidy regulations established by the Company. These form the basis in providing employee remuneration and benefits complying with labor laws, mainly consisting of basic salary (including base salary, meal subsidy), position allowance, professional subsidy, performance rewards, individual performance annual salary adjustment, end-of-year bonuses, and so on. Additionally, the Company's "Articles of Incorporation" regulate that if the Company makes profit for the year, it shall allocate at least 1% of the profit as employee remuneration, and the Company shall reserve an amount in advance to make up for any accumulated losses, so as to put the business performance results into appropriate reflection toward employees' remuneration.

1. Name, Title, Telephone Number, and E-Mail Address of the Spokesperson and Deputy Spokesperson

Spokesperson: Mo, Wei-Han, President

Email: rt008689@mail.ruentex.com.tw

Deputy Spokesperson: Li, Jhih-Hong, Chairman

Email: rt001351@mail.ruentex.com.tw

Phone: (02)8161-9999

2. Address and Telephone Number of the Company's Headquarters, Branch Offices, and Factories

Headquarter: 10F., No. 308, Sec. 2, Bade Rd., Zhongshan Dist., Taipei City

Phone: (02)8161-9999

Factory: No. 1442, 1446, Taizun Rd., Shanghu Vil., Yangmei Dist., Taoyuan City

Phone: (03)472-5599

3. Name, Address, Website, and Telephone Number of the Agency Handling Shares Transfer

Name: Shareholder Service Office of this Company.

Address: 12F., No. 308, Sec. 2, Bade Rd., Zhongshan Dist., Taipei City

Phone: (02)8161-7999

Website: cmc@mail.ruentex.com.tw

4. Names of the Certified Public Accountants Who Duly Audited the Annual Financial Report for the Most Recent Fiscal Year, and the Name, Address, Website and Telephone Number of the Accounting Firm to Which They Belong

Name of CPA: Chin-lien Huang, Shu-chiung Chang

Name of CPA Firm: PwC Taiwan

Address: 27F., No. 333, Sec. 1, Keelung Rd., Taipei City

Phone: (02)2729-6666

Website: [https : //www.pwc.tw](https://www.pwc.tw)

5. Name of Any Exchanges Where the Company's Securities are Traded Offshore, and the Method by Which to Access Information on Said Offshore Securities: N/A.

6. Company Website: [https : //www.rtc.com.tw](https://www.rtc.com.tw)

**RUENTEX ENGINEERING &
CONSTRUCTION CO., LTD.**

Chairman Li, Jhih-Hong

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