

Ruentex Development Co., Ltd. and subsidiaries
Consolidated Financial Statements
For the Three Months Ended March 31, 2025 and
2024 and Independent Auditors' Review Report
(Stock Code: 9945)

Company Address: 11F-1, No. 308, Sec. 2, Bade Rd.,
Taipei City
Telephone: (02)8161-9888

Ruentex Development Co., Ltd. and subsidiaries
Consolidated Financial Statements for the Three Months Ended March 31, 2025 and
2024 and Independent Auditors' Review Report
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Independent Auditors' Review Report

(114) Cai-Shen-Bao-Zi No. 25000465

Ruentex Development Co., Ltd. The Board of Directors and Shareholders:

Foreword

We have audited the consolidated balance sheets of Ruentex Development Co., Ltd. and its subsidiaries as of March 31, 2025 and 2024, the consolidated comprehensive income statements, equity statements and cash flow statements for the periods from January 1 to March 31, 2025 and 2024, and the notes to the consolidated financial statements (including a summary of significant accounting policies). It is the responsibility of the management to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued by the Financial Supervisory Commission. It is our responsibility to draw a conclusion on the consolidated financial statements based on the review results.

Scope

In addition to those stated in the Basis for Qualified Conclusion paragraph, we conducted the review in accordance with the R.O.C. Standards on Review Engagements 2410 "Reviews of Financial Statements." The procedures executed in reviewing the consolidated financial statements include inquiry (mainly with the person in charge of financial and accounting affairs), analytical procedures, and other review procedures. The scope of a review is significantly smaller than the scope of an audit. We therefore are unable to express an audit opinion since we may not be able to identify all the significant matters that can be identified by an audit.

Basis for Qualified Conclusion

As mentioned in Note 4(3) to the consolidated financial statements, the financial statements of some non-material subsidiaries for the same period included in the above consolidated financial statements have not been reviewed by CPAs. As of March 31, 2025 and 2024, their total assets amounted to NT\$21,409,892 thousand and NT\$20,978,437 thousand, respectively, or 11.20% and 11.14% of consolidated total assets; their total liabilities were NT\$9,195,519 thousand and NT\$9,865,079 thousand, respectively, or 10.99% and 12.91% of consolidated total liabilities; their total comprehensive income for the periods from January 1 to March 31, 2025 and 2024 was NT\$15,507 thousand and NT\$80,215 thousand, respectively, or (0.37%) and 0.80% of consolidated total comprehensive income. The amounts listed in the financial statements of some of Ruentex Development Co., Ltd.'s investees accounted for under equity method were based on the financial statements prepared by the respective investees for the same period that were not CPA-reviewed. The balance of relevant investments accounted for under equity method as of March 31, 2025 and 2024 was NT\$2,646,784 thousand and NT\$2,306,614 thousand, respectively, or 1.38% and 1.23% of

consolidated total assets. Share of other comprehensive income of associates and joint ventures accounted for under equity method and total other comprehensive income were NT\$(294,589) thousand and NT\$7,016 thousand for the periods from January 1 to March 31, 2025 and 2024, respectively, constituting 7.00% and 0.07% of total consolidated comprehensive income.

Qualified Conclusion

Based on our review results, the financial statements of some non-material subsidiaries and investees accounted for under the equity method mentioned in the Basis for Qualified Conclusion paragraph might have caused an impact on the consolidated financial statements that requires an adjustment if they were reviewed by CPAs. We found that the above consolidated financial statements were prepared in all material respects in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued by the Financial Supervisory Commission and present fairly the consolidated financial position of Ruentex Development Co., Ltd. and its subsidiaries as of March 31, 2025 and 2024, and the consolidated financial performance and consolidated cash flows for the periods from January 1 to March 31, 2025 and 2024.

PwC Taiwan

Huang, Chin-Lien

Certified Public Accountant

Chang, Shu-Chiung

Financial Supervisory Commission's Approval Certificate No.:
Jin-Guan-Zheng-Shen-Zi No. 1100348083
Former Financial Supervisory Commission, Executive Yuan's
Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No.
0990042602

May 14, 2025

Ruentex Development Co., Ltd. and subsidiaries
Consolidated Balance Sheet
March 31, 2025, December 31, 2024, and March 31, 2024

Unit: NT\$ thousands

			March 31, 2025		December 31, 2024		March 31, 2024	
Assets		Notes	Amount	%	Amount	%	Amount	%
Current Assets								
1100	Cash and cash equivalents	6(1)	\$ 6,725,324	4	\$ 5,923,952	3	\$ 3,833,619	2
1136	Financial assets measured by amortized cost - current	6(6)	50,000	-	50,000	-	-	-
1140	Contract asset - current	6(25) and 7	4,182,733	2	4,934,860	2	3,582,060	2
1150	Net bills receivable	6(2)	196,621	-	247,931	-	916,213	-
1160	Bills receivable - related parties - net	6(2) and 7	40	-	979	-	-	-
1170	Net Accounts Receivable	6(2)(10)	2,845,407	1	1,639,293	1	2,346,821	1
1180	Accounts receivable - related parties - net	6(2) and 7	4,071	-	4,233	-	14,450	-
1200	Other receivables		89,483	-	160,242	-	112,249	-
1210	Other Receivables - related party	7	15,058	-	10,691	-	15,066	-
1220	Current tax assets		22	-	92	-	91	-
130X	Inventories	6(3), 7, and 8	30,351,838	16	29,078,177	15	27,999,954	15
1410	Prepayments		1,410,265	1	1,139,040	1	974,285	1
1470	Other Current Assets	6(1)(4), 7 and 8	1,140,396	1	1,262,379	1	1,553,380	1
11XX	Total current assets		47,011,258	25	44,451,869	23	41,348,188	22
Non-current assets								
1517	Financial assets at fair value through other comprehensive income - non-current	6(5), 7 and 8	5,012,811	3	5,900,483	3	5,048,250	3
1535	Amortized cost financial Assets - non-Current	6(6)	560,000	-	560,000	-	560,000	-
1550	Investments accounted for using equity method	6(7) and 8	83,738,946	44	87,743,182	45	86,547,919	46
1600	Property, plant, and equipment	6(8), 7, and 8	5,585,097	3	5,548,537	3	5,527,150	3
1755	Right-of-use assets	6(9), 7 and 8	2,473,661	1	2,540,086	1	2,586,667	1
1760	Net value of investment properties	6(3)(10) (11) and 8	45,074,557	24	45,609,271	24	45,069,471	24
1780	Intangible Assets	6(12)	203,627	-	204,653	-	203,929	-
1840	Deferred tax Assets		784,675	-	689,508	1	819,486	1
1930	Long-term notes and accounts receivable	6(10)	443,900	-	392,321	-	234,568	-
1990	Other non-current assets - others	6(1)(13) and 8	353,877	-	324,886	-	338,313	-
15XX	Total non-current assets		144,231,151	75	149,512,927	77	146,935,753	78
1XXX	Total Assets		\$ 191,242,409	100	\$ 193,964,796	100	\$ 188,283,941	100

(Continued)

Ruentex Development Co., Ltd. and subsidiaries
Consolidated Balance Sheet
March 31, 2025, December 31, 2024, and March 31, 2024

Unit: NT\$ thousands

Liabilities and Equity		Notes	March 31, 2025		December 31, 2024		March 31, 2024	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2100	Short-term borrowings	6(14) and 8	\$ 7,838,000	4	\$ 7,756,000	4	\$ 6,914,000	4
2110	Short-term bills payable	6(15) and 8	5,652,750	3	4,337,706	2	5,718,320	3
2130	Contract liabilities - current	6(25) and 7	5,360,993	3	3,943,716	2	3,816,579	2
2150	Notes payable		885,245	-	1,153,593	1	709,170	-
2160	Notes payable - related party	7	50,244	-	20,475	-	13,389	-
2170	Accounts Payable		4,227,979	2	4,012,709	2	4,240,066	2
2180	Accounts payable - related party	7	67,597	-	15,885	-	8,747	-
2200	Other payables		1,137,296	1	1,622,322	1	809,606	1
2230	Income tax liabilities of current period		975,295	1	781,325	-	949,353	1
2280	Lease liabilities - current	6(9) and 7	308,946	-	307,818	-	309,954	-
2310	Advance receipts	6(18)	358,319	-	359,885	-	357,728	-
2320	Long-term liabilities due within one year or one operating cycle	6(16) and 8	1,954,144	1	1,200,894	1	9,454,197	5
2399	Other current liabilities - other	6(17)	74,321	-	35,137	-	48,610	-
21XX	Total Current Liabilities		28,891,129	15	25,547,465	13	33,349,719	18
Non-current liabilities								
2540	Long-term borrowings	6(16) and 8	37,060,516	19	38,755,255	20	25,406,020	13
2570	Deferred income tax liabilities		5,143,148	3	5,209,456	3	5,014,478	3
2580	Lease liabilities - non-current	6(9) and 7	10,401,569	6	10,511,706	5	10,562,539	6
2670	Other non-current liabilities - others	6(17) (18)	2,150,971	1	2,139,033	1	2,077,958	1
25XX	Total Non-Current Liabilities		54,756,204	29	56,615,450	29	43,060,995	23
2XXX	Total Liabilities		83,647,333	44	82,162,915	42	76,410,714	41
Equity								
Equity attributed to owners of the parent								
	Capital	6(21)						
3110	Share capital		28,442,251	15	28,442,251	15	28,442,251	15
	Capital surplus	6(22)						
3200	Capital surplus		17,817,815	9	17,817,960	9	17,730,227	9
	Retained earnings	6(23)						
3310	Legal reserve		8,770,022	4	8,770,022	4	8,007,702	4
3320	Special reserve		47,385,370	25	47,385,370	24	58,772,480	31
3350	Undistributed earnings		33,959,568	18	30,579,851	16	14,352,436	8
	Other equities	6(24)						
3400	Other equities		(39,071,726)	(20)	(31,594,114)	(16)	(24,117,083)	(12)
3500	Treasury stock	6(21)	(81,449)	-	(81,449)	-	(81,449)	-
31XX	Total equity attributable to owners of parent		97,221,851	51	101,319,891	52	103,106,564	55
36XX	Non-controlling Interest	4(3) and 6 (34)	10,373,225	5	10,481,990	6	8,766,663	4
3XXX	Total Equity		107,595,076	56	111,801,881	58	111,873,227	59
	Significant Contingent Liabilities and Unrecognized Commitments	9						
3X2X	Total Liabilities and Equity		\$ 191,242,409	100	\$ 193,964,796	100	\$ 188,283,941	100

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

Chairman: Jean, Tsang Jiunn

Manager: Lee, Chih-Hung

Accounting Manager: Lin, Chin-Tzu

Ruentex Development Co., Ltd. and subsidiaries
Consolidated Statements of Comprehensive Income
For the Three Months Ended March 31, 2025 and 2024

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

	Item	Notes	January 1 to March 31, 2025		January 1 to March 31, 2024	
			Amount	%	Amount	%
4000	Operating Revenue	6(10)(11) (25) and 7	\$ 7,015,282	100	\$ 7,000,524	100
5000	Operation cost	6(3)(19) (26) (31) (32) and 7	(5,318,051)	(76)	(5,213,059)	(75)
5900	Gross profit		<u>1,697,231</u>	<u>24</u>	<u>1,787,465</u>	<u>25</u>
	Operating Expenses	6(19) (31) (32) and 7				
6100	Selling expenses		(226,613)	(3)	(209,004)	(3)
6200	General & administrative expenses		(330,993)	(5)	(291,395)	(4)
6300	R&D expenses		(22,548)	-	(21,615)	-
6450	Expected credit impairment gains	12(2)	<u>3,683</u>	<u>-</u>	<u>1,296</u>	<u>-</u>
6000	Total Operating Expenses		(576,471)	(8)	(520,718)	(7)
6900	Operating Profit		<u>1,120,760</u>	<u>16</u>	<u>1,266,747</u>	<u>18</u>
	Non-operating Income and Expenses					
7100	Interest revenue	6(6)(27) and 7	15,433	-	12,235	-
7010	Other income	6(28)	39,402	1	32,026	-
7020	Other gains and losses	6(11) (29)	(211,802)	(3)	5,021,364	72
7050	Financial Costs	6(3)(9) (30) and 7	(245,532)	(4)	(215,913)	(3)
7060	Share of income of associates and joint ventures accounted for using the equity method	6(7)	<u>3,205,882</u>	<u>46</u>	<u>3,478,583</u>	<u>50</u>
7000	Total non-operating income and expenses		<u>2,803,383</u>	<u>40</u>	<u>8,328,295</u>	<u>119</u>
7900	Net profit before tax		<u>3,924,143</u>	<u>56</u>	<u>9,595,042</u>	<u>137</u>
7950	Income tax expense	6(33)	(157,978)	(2)	(1,284,886)	(18)
8200	Net income of current period		<u>\$ 3,766,165</u>	<u>54</u>	<u>\$ 8,310,156</u>	<u>119</u>

(Continued)

Ruentex Development Co., Ltd. and subsidiaries
Consolidated Statements of Comprehensive Income
For the Three Months Ended March 31, 2025 and 2024

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

Item	Notes	January 1 to March 31, 2025		January 1 to March 31, 2024	
		Amount	%	Amount	%
Other comprehensive income (net)					
Items not to be reclassified into profit or loss					
8316 Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(5)	(\$ 887,672)	(13)	(\$ 247,582)	(4)
8320 Share of other comprehensive income of associates and joint ventures accounted for under equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(24)	(320,984)	(4)	47,131	1
8349 Income tax relating to non-reclassified items	6(33)	69,560	1	4,080	-
8310 Total of items not to be reclassified into profit or loss		(1,139,096)	(16)	(196,371)	(3)
Items may be reclassified subsequently to profit or loss					
8361 Exchange differences on translating foreign operations	6(24)	35,235	-	88,441	1
8370 Share of other comprehensive income of associates and joint ventures accounted for using the equity method - items that may be reclassified subsequently to profit or loss	6(24)	(6,910,854)	(99)	1,895,688	27
8399 Income tax related to items may be reclassified into profit or loss	6(33)	41,890	1	(39,968)	-
8360 Total of items may be reclassified subsequently to profit or loss		(6,833,729)	(98)	1,944,161	28
8300 Other comprehensive income (net)		(\$ 7,972,825)	(114)	\$ 1,747,790	25
8500 Total comprehensive income for this period		(\$ 4,206,660)	(60)	\$ 10,057,946	144
Profit attributable to:					
8610 Owners of the parent		\$ 3,379,693	48	\$ 6,729,243	96
8620 Non-controlling Interest		\$ 386,472	6	\$ 1,580,913	23
Comprehensive Income attributed to:					
8710 Owners of the parent		(\$ 4,097,895)	(58)	\$ 8,660,712	124
8720 Non-controlling Interest		(\$ 108,765)	(2)	\$ 1,397,234	20
Earnings per share	6(35)				
9750 Basic earnings per share		\$ 1.24		\$ 2.46	
9850 Diluted earnings per share		\$ 1.24		\$ 2.46	

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

Chairman: Jean, Tsang Jiunn

Manager: Lee, Chih-Hung

Accounting Manager: Lin, Chin-Tzu

Ruentex Development Co., Ltd. and subsidiaries
Consolidated Statements of Changes in Equity
For the Three Months Ended March 31, 2025 and 2024

Unit: NT\$ thousands

Notes	Equity attributed to owners of the parent								Non-controlling Interest	Total Equity
	Share capital	Capital surplus	Retained earnings			Other equities	Treasury stock	Total		
			Legal reserve	Special reserve	Undistributed earnings					
	\$ 28,442,251	\$ 17,730,264	\$ 8,007,702	\$ 58,772,480	\$ 7,623,193	(\$ 26,048,552)	(\$ 81,449)	\$ 94,445,889	\$ 7,369,429	\$ 101,815,318
6(23)(34)	-	-	-	-	6,729,243	-	-	6,729,243	1,580,913	8,310,156
6(24)(34)	-	-	-	-	-	1,931,469	-	1,931,469	(183,679)	1,747,790
	-	-	-	-	6,729,243	1,931,469	-	8,660,712	1,397,234	10,057,946
6(22)	-	(2)	-	-	-	-	-	(2)	-	(2)
6(22)	-	(35)	-	-	-	-	-	(35)	-	(35)
	\$ 28,442,251	\$ 17,730,227	\$ 8,007,702	\$ 58,772,480	\$ 14,352,436	(\$ 24,117,083)	(\$ 81,449)	\$ 103,106,564	\$ 8,766,663	\$ 111,873,227
	\$ 28,442,251	\$ 17,817,960	\$ 8,770,022	\$ 47,385,370	\$ 30,579,851	(\$ 31,594,114)	(\$ 81,449)	\$ 101,319,891	\$ 10,481,990	\$ 111,801,881
6(23)(34)	-	-	-	-	3,379,693	-	-	3,379,693	386,472	3,766,165
6(24)(34)	-	-	-	-	-	(7,477,588)	-	(7,477,588)	(495,237)	(7,972,825)
	-	-	-	-	3,379,693	(7,477,588)	-	(4,097,895)	(108,765)	(4,206,660)
6(22)	-	(118)	-	-	-	-	-	(118)	-	(118)
6(22)	-	(27)	-	-	-	-	-	(27)	-	(27)
6(23)(24)	-	-	-	-	24	(24)	-	-	-	-
	\$ 28,442,251	\$ 17,817,815	\$ 8,770,022	\$ 47,385,370	\$ 33,959,568	(\$ 39,071,726)	(\$ 81,449)	\$ 97,221,851	\$ 10,373,225	\$ 107,595,076

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

Chairman: Jean, Tsang-Jiunn

Manager: Lee, Chih-Hung

Accounting Manager: Lin, Chin-Tzu

Ruentex Development Co., Ltd. and subsidiaries
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2025 and 2024

Unit: NT\$ thousands

	Notes	January 1 to March 31, 2025	January 1 to March 31, 2024
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 3,924,143	\$ 9,595,042
Adjustments			
Income and expenses			
Depreciation expense	6(31)	176,001	176,862
Amortization	6(31)	1,740	3,120
Expected credit impairment gains	6(31)	(3,683)	(1,296)
Interest Cost	6(30)	245,532	215,913
Interest revenue	6(27)	(15,433)	(12,235)
Share of profit of associates accounted for using the equity method	6(7)	(3,205,882)	(3,478,583)
Loss on disposal of property, plant and equipment	6(29)	13	9
Investment property fair value adjustment loss (gain)	6(29)	204,532	(5,031,879)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contractual assets - Current		752,127	662,687
Notes receivable		51,310	61,206
Notes Receivable – related party		939	-
Accounts receivable	(	1,202,431)	257,286
Accounts receivable - related party		162	21,001
Other receivables		69,706	(59,198)
Other receivables - related Party		533	479
Inventories	(	1,203,480)	(1,727,677)
Prepayments	(	271,225)	(177,059)
Other Current Assets	(	12,518)	(20,307)
Long-term notes and accounts receivable	(	51,579)	(21,371)
Other non-current Assets	(	1,900)	(17)
Net change in liabilities related to operating activities			
Contract liabilities - current		1,417,277	(268,778)
Notes payable	(	268,348)	(228,369)
Notes Payable – related Party		29,769	9,441
Accounts Payable		215,270	670,263
Accounts Payable – related Party		51,712	2,172
Other payables	(	534,456)	(660,954)
Advance receipts	(	1,566)	186,544
Other Current liabilities		39,184	23,585
Other non-Current liabilities		2,370	(2,847)
Cash flow in from operating		409,819	195,040
Interest received		11,586	7,884
Amount of interest Paid	(	255,434)	(282,880)
Income tax paid	(	14,172)	(16,233)
Income tax refunded		87	-
Net cash inflow (outflow) from operating activities		151,886	(96,189)

(Continued)

Ruentex Development Co., Ltd. and subsidiaries
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2025 and 2024

Unit: NT\$ thousands

	Notes	January 1 to March 31, 2025	January 1 to March 31, 2024
<u>Cash flows from investing activities</u>			
Acquisition of financial Assets at fair value	6(5)		
through other comprehensive income acquired -			
non-Current		\$ -	(\$ 53,701)
Real estate, plant and equipment acquired	6(36)	(145,502)	(46,949)
Proceeds from disposal of investment property	6(11)	331,419	-
Acquisition of intangible assets	6(12)	(714)	(1,582)
Decrease (increase) in other financial assets		160,950	(117,217)
Decrease (increase) in refundable deposits		(187)	31,781
Increase in prepayments for equipment		(54,872)	(18,744)
Net cash inflow (outflow) of the investment activities		<u>291,094</u>	<u>(206,412)</u>
<u>Cash flows from financing activities</u>			
Net increase in short-term borrowings	6(37)	82,000	870,000
Increase in short-term bills payable	6(37)	1,316,000	2,210,000
Amount of long-term borrowings	6(37)	2,208,000	11,290,000
Repayments of long-term borrowings	6(37)	(3,149,750)	(14,190,000)
Increase in guarantee deposits	6(37)	9,568	125,411
Principal elements of lease payments	6(9)(37)	(109,009)	(104,464)
Net cash generated by financing activities		<u>356,809</u>	<u>200,947</u>
Effects of exchange rate change on cash		<u>1,583</u>	<u>5,107</u>
Net increase (decrease) in cash and cash equivalents		801,372	(96,547)
Cash and cash equivalents at the beginning of the period		<u>5,923,952</u>	<u>3,930,166</u>
Cash and cash equivalents, end of period		<u>\$ 6,725,324</u>	<u>\$ 3,833,619</u>

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

Chairman: Jean, Tsang-Jiunn

Manager: Lee, Chih-Hung

Accounting Manager: Lin, Chin-Tzu

Ruentex Development Co., Ltd. and subsidiaries
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2025 and 2024 and Independent Auditors' Review Report

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

I. History and Organization

Ruentex Development Co., Ltd. (hereinafter referred to as the "Company"), was incorporated In September 1977 under the laws of Republic of China (ROC) and formerly known as "Ruentex Construction Co., Ltd." On July 2, 2002, the Company changed its name to "Ruentex Development Co., Ltd." under the approval of the competent authority. The Company was authorized to trade its stocks on the Taiwan Stock Exchange since April 30, 1992. The Company and its subsidiaries (collectively referred herein as "the Group" or "Group") are primarily engaged in construction of residential buildings through subcontracting; lease and sales of commercial buildings; trading of construction materials; sales of related merchandise; operation of supermarkets and shopping malls; undertaking of construction and civil engineering; import/export, manufacturing, and planning of precast constructional components, such as beams, columns, walls, and relevant electrical and mechanical work.

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 May 14, 2025.

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 2025 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 No. 21 "Lack of Convertibility"	January 1, 2025

The above standards and interpretations have no significant impact on the Group's financial position and financial performance 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 2025 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>
Some Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026

The above standards and interpretations have no significant impact on the Group's financial position and financial performance 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>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
Some Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
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
IFRS 18 "Presentation and Disclosure in of Financial Statements"	January 1, 2027
IFRS 19 "Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact on the Group's financial position and financial performance based on the Group's assessment.

1. Some Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

The Financial Supervisory Commission has approved some of these amendments. The parts that have not yet been approved are explained as follows:

- (1) They are to clarify the dates of recognition and derecognition of certain financial assets and liabilities, add that when a financial liability (or part of a financial liability) is settled in cash using an electronic payment system, if and only if an enterprise initiates a payment instruction that results in the following, the enterprise is allowed to have its financial liabilities discharged before the settlement date:
 - A. The enterprise does not have the ability to withdraw, stop, or cancel the payment

- instruction;
- B. The enterprise has no actual ability to obtain cash for settlement due to the payment instruction;
- C. The settlement risk related to the electronic payment system is not significant.
- (2) It is updated that the fair values of equity instruments designated as at fair value through other comprehensive income through an irrevocable election should be disclosed on a per-category basis without a need to disclose the fair value per instrument. In addition, the amount of fair value gain or loss recognized in other comprehensive income during the reporting period should be disclosed and separately presented in the amount of fair value gain or loss related to the investments that were derecognized during the reporting period, the amount of fair value gain and loss related to the investments still held at the end of the reporting period; and cumulative gains and losses from investments derecognized during the reporting period and transferred to equity during the reporting period.
2. Amendment to IFRS 17 “Insurance Contracts” and its effect to investments accounted for using the equity method.
- (1) They are to clarify and add further guidance on assessing whether financial assets meet the SPPI criteria, including contractual terms that change cash flows based on contingencies (e.g., interest rates linked to ESG instruments), non-recourse instruments, and contract-linked tools.
- IFRS 17 “Insurance Contracts” replace IFRS 4, and establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts issued. The standard applies to the insurance contracts, including reinsurance contracts, issued by an entity, reinsurance contracts it holds, and investment contracts with discretionary participation features it issues, provided the entity also issues insurance contracts. Separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts. At the original recognition, an entity shall divide a portfolio of insurance contracts issued to three groups: a group of contracts that are onerous at initial recognition, a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, and a group of the remaining contracts in the portfolio. IFRS 17 requires present value measurement model, and remeasurement to such estimates at each reporting period. The measurement is based on the cash flow, risk-adjustment, and the element representing the unearned profit (contractual service margins) after discounting and probability-weighting the contracts. An entity may apply a simplified measurement approach (the premium allocation approach) to some insurance contracts. Recognizes the profit from a group of insurance contracts over the period the entity provides insurance coverage, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately. An entity shall recognize and report the insurance revenue, insurance service expenses, and insurance finance income or expenses separately, and disclose the amount, judgement, and risk related information from the insurance contracts.
- (2) Amendment to IFRS 17 “Insurance Contracts”
- The amendments include deferred effective dates, expected recovery of insurance acquisition cash flows, contractual service margin attributable to investment services, reinsurance contracts held - recovery of losses and other amendments that do not change the fundamental principles of the standard.

(3) Amendments to IFRS 17 - “Initial Application of IFRS 17 and IFRS 9—Comparative Information”

The amendment to IFRS 17 allows an entity to apply a classification overlay in the comparative periods presented on initial application of IFRS 17. The application allows an entity to align the classification of financial assets, including financial assets that are held in respect of an activity that is unconnected with contracts within the scope of IFRS 17, in the comparative period with the way the entity expects those assets to be classified on initial application of IFRS 9, on an instrument-by-instrument basis. An entity that has already applied IFRS 9 or is applying both IFRS 9 and IFRS 17 for the first time may choose to apply a classification overlay.

3. IFRS 18 "Presentation and Disclosure in of Financial Statements"

IFRS 18 "Presentation and Disclosure in of Financial Statements" replaces IAS 1, updates the structure of statements of comprehensive income, adds the disclosure of management performance measures, and improves the principles for aggregation and disaggregation used in the main financial statements and notes.

IV. Summary of Significant Accounting Policies

The compliance statement, basis of preparation, basis of consolidation, and additions are described as follows. The other significant accounting policies are the same as those in Note 4 to the 2024 consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Compliance statement

1. These consolidated financial statements have been prepared in accordance with the “Rules Governing the Preparation of Financial Statements by Securities Issuers” and IAS 34 "Interim Financial Reporting" endorsed and issued by the Financial Supervisory Commission.
2. These consolidated financial statements shall be read in conjunction with the 2024 consolidated financial statements.

(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) Investment property subsequently measured at fair value
 - (3) 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 Group’s accounting policies. The areas involving a higher degree of judgment 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

The basis for preparation of these consolidated financial statements are the same as that of the 2024 consolidated financial statements.

2. Subsidiaries included in the consolidated financial statements:

<u>Name of the investing company</u>	<u>Name of Subsidiary</u>	<u>Business nature</u>	<u>Percentage of shareholding (%)</u>			<u>Description</u>
			<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	
Ruentex Development Co., Ltd.	Ruentex Construction International Co., Ltd. (Ruentex Construction)	Operating shopping center, self-operated counter, commercial real estate leasing, residential buildings and building rental and sale business development and Enterprise Management consultant Business General Investment	100.00	100.00	100.00	Notes 2 and 5
Ruentex Development Co., Ltd.	Ruentex Construction International (B.V.I.) Ltd. (Ruentex BVI)		100.00	100.00	100.00	Note 2
Ruentex Development Co., Ltd.	Ruentex Property Management & Maintenance Co., Ltd. (Ruentex Property)	Property Management and Maintenance Services	100.00	100.00	100.00	Note 2
Ruentex Development Co., Ltd.	Ruen Fu Newlife Corp. (Ruen Fu)	Senior Citizen's housing and buildings general affairs administration	60.00	60.00	60.00	Note 1 & 2
Ruentex Development Materials Co., Ltd.	Ruentex Security Co., Ltd. (Ruentex Security)	Private Security Service	100.00	100.00	100.00	Note 2

<u>Name of the investing company</u>	<u>Name of Subsidiary</u>	<u>Business nature</u>	<u>Percentage of shareholding (%)</u>			<u>Description</u>
			<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	
Ruentex Development Co., Ltd.	Ruentex Xu Zhan Co., Ltd. (Ruentex Xu Zhan)	Mall Operations and Commercial Property Leasing	80.00	80.00	80.00	
Ruentex Development Co., Ltd.	Ruentex Pai Yi Co., Ltd. (Ruentex Pai Yi)	Mall Operations and Commercial Property Leasing	35.00	35.00	35.00	Note 2
Ruentex Development Co., Ltd.	Ruentex Engineering & Construction Co., Ltd. (Ruentex Engineering)	Undertaking Construction and Civil Engineering Projects, the Import, Export, Production, and Planning of Precast Beams, Columns, and Exterior Walls, and Related Electrotechnical Projects	39.14	39.14	39.14	Note 3
Ruentex Development Co., Ltd.	Ruentex Materials Co., Ltd. (Ruentex Materials)	Production and distribution of building materials	10.49	10.49	10.49	Note 3
Ruentex Development Co., Ltd.	Ruentex Interior Design Inc. (Ruentex Interior Design)	Design and construction of interior decoration and garden greening	4.91	4.91	5.45	Notes 3 and 4
Ruentex Development Co., Ltd.	Ruentex Innovative Development Co., Ltd. (Ruentex Innovative Development)	Contract construction company to build the congregate housing and sale, and renting out real estate	70.00	70.00	70.00	

<u>Name of the investing company</u>	<u>Name of Subsidiary</u>	<u>Business nature</u>	<u>Percentage of shareholding (%)</u>			<u>Description</u>
			<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	
Ruentex Construction International Co., Ltd. (Ruentex Construction)	Ruentex Pai Yi Co., Ltd. (Ruentex Pai Yi)	Mall Operations and Commercial Property Leasing	65.00	65.00	65.00	Note 2
Ruentex Construction International (B.V.I.) Ltd.	Ruentex Construction International Ltd.(Ruentex Construction)	General Investment	100.00	100.00	100.00	Note 1 & 2
Ruentex Security Co., Ltd.	Ruentex Engineering & Construction Co., Ltd. (Ruentex Engineering)	Undertaking Construction and Civil Engineering Projects, the Import, Export, Production, and Planning of Precast Beams, Columns, and Exterior Walls, and Related Electrotechnical Projects	0.72	0.72	0.72	Note 3
Ruentex Property Management and Maintenance Co., Ltd.	Ruentex Engineering & Construction Co., Ltd. (Ruentex Engineering)	Undertaking Construction and Civil Engineering Projects, the Import, Export, Production, and Planning of Precast Beams, Columns, and Exterior Walls, and Related Electrotechnical Projects	0.20	0.20	0.20	Note 3
Ruentex Engineering & Construction Co., Ltd.	Ruentex Materials Co., Ltd. (Ruentex Materials)	Production and distribution of building materials	39.15	39.15	39.15	Note 3

<u>Name of the investing company</u>	<u>Name of Subsidiary</u>	<u>Business nature</u>	<u>Percentage of shareholding (%)</u>			<u>Description</u>
			<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Interior Design Inc. (Ruentex Interior Design)	Design and construction of interior decoration and garden greening	18.30	18.30	20.34	Notes 3 and 4
Ruentex Engineering & Construction Co., Ltd.	Ruen Yang Construction Co., Ltd. (Ruen Yang)	Civil Engineering Projects	100.00	100.00	100.00	
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc. (Ruentex Interior Design)	Design and construction of interior decoration and garden greening	31.66	31.66	35.19	Notes 3 and 4

Note 1: Audited by other independent accountants for the year ended December 31, 2024.

Note 2: As it does not meet the definition of a material subsidiary, its financial statements as of March 31, 2025 and 2024 have not been reviewed by CPAs.

Note 3: 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 4: In order to cooperate with the public underwriting before the initial listing on Taipei Exchange by Ruentex Interior Design, the board of directors approved by resolution on March 26, 2024, the cash capital increase by 1,500 thousand shares, with a face value of NT\$10 per share, all of which are ordinary shares. May 17, 2024, was the record date for capital increase, and the registration of the change was completed on June 19, 2024. Neither the Company nor Ruentex Engineering & Construction and Ruentex Materials have subscribed for shares in the capital increase by Ruentex Interior Design in proportion to the shareholding. As a result, the direct shareholding in Ruentex Interior Design by the Company, Ruentex Engineering & Construction, and Ruentex Materials has decreased from 5.45%, 20.34%, and 35.19% to 4.91%, 18.30%, and 31.66%, respectively. The Company's combined direct and indirect shareholding in Ruentex Interior Design decreased from 23.45% to 20.25% and recognized NT\$44,668 (including income tax effect of NT\$2,680) in capital surplus - changes in the ownership interests of subsidiaries. Please find Note 6(34) for details of transactions with non-controlling interests.

Note 5: Ruentex Construction, upon the resolution of the board of directors on March 13, 2024, approved a capital increase in cash for 50,000 thousand shares in an amount of NT\$500,000. The Company subscribed for all shares in proportion to its shareholding.

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.

The Group's total non-controlling interests amounted to NT\$10,373,225, NT\$10,481,990, and NT\$8,766,663 as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively, and the following are non-controlling interests and subsidiaries that are material to the Group:

<u>Name of Subsidiary</u>	<u>Principal Place of Business</u>	<u>Non-controlling Interest</u>			
		<u>March 31, 2025</u>		<u>December 31, 2024</u>	
		<u>Amount</u>	<u>Percentage shareholding</u>	<u>Amount</u>	<u>Percentage shareholding</u>
Ruentex Engineering & Construction	Taiwan	\$ 6,337,819	59.94%	\$ 6,466,154	59.94%
Ruentex Innovative Development	"	2,274,315	30.00%	2,266,356	30.00%

<u>Name of Subsidiary</u>	<u>Principal Place of Business</u>	<u>Non-controlling Interest</u>	
		<u>March 31, 2024</u>	
		<u>Amount</u>	<u>Percentage shareholding</u>
Ruentex Engineering & Construction	Taiwan	\$ 4,877,429	59.94%
Ruentex Innovative Development	"	2,182,848	30.00%

Summary of subsidiaries' financial information:

Balance Sheets

	<u>Ruentex Engineering & Construction</u>		
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current Assets	\$ 13,895,816	\$ 12,114,301	\$ 11,026,091
Non-current assets	11,670,720	12,424,984	9,880,193
Current liabilities	(10,857,744)	(9,129,458)	(8,841,795)
Non-current liabilities	(4,215,572)	(4,637,973)	(3,857,339)
Total net assets	<u>\$ 10,493,220</u>	<u>\$ 10,771,854</u>	<u>\$ 8,207,150</u>

	<u>Ruentex Innovative Development</u>		
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current Assets	\$ 3,948,497	\$ 4,070,133	\$ 3,964,164
Non-current assets	11,816,976	11,770,999	11,107,753
Current liabilities	(629,142)	(733,647)	(6,166,788)
Non-current liabilities	(7,555,281)	(7,552,968)	(1,628,969)
Total net assets	<u>\$ 7,581,050</u>	<u>\$ 7,554,517</u>	<u>\$ 7,276,160</u>

Statements of Comprehensive Income

	<u>Ruentex Engineering & Construction</u>	
	<u>January to March 2025</u>	<u>January to March 2024</u>
Income	\$ 6,186,237	\$ 5,356,902
Net profit before tax	741,587	561,827
Income tax expense	(149,351)	(112,502)
Net income of current period	592,236	449,325
Other comprehensive income (Net of tax)	(870,870)	(320,647)
Total comprehensive income for this period	<u>(\$ 278,634)</u>	<u>\$ 128,678</u>
Total comprehensive income attributed to the Group's non-controlling interest	<u>(\$ 128,334)</u>	<u>\$ 98,857</u>

	<u>Ruentex Innovative Development</u>	
	<u>January to March 2025</u>	<u>January to March 2024</u>
Income	\$ 72,268	\$ 47,953
Net profit before tax	29,100	5,662,663
Income tax expense	(2,568)	(1,206,034)
Net income of current period	26,532	4,456,629
Other comprehensive income (Net of tax)	-	-
Total comprehensive income for this period	<u>\$ 26,532</u>	<u>\$ 4,456,629</u>
Total comprehensive income attributed to the Group's non-controlling interest	<u>\$ 7,959</u>	<u>\$ 1,336,988</u>

Statements of Cash Flows

	<u>Ruentex Engineering & Construction</u>	
	<u>January to March</u>	<u>January to March</u>
	<u>2025</u>	<u>2024</u>
Cash inflow from operating activities	\$ 1,109,516	\$ 895,890
Cash used in investing activities	(194,532)	(96,002)
Cash used in financing activities	(3,719)	(499,964)
Increase of cash and cash equivalents current period	911,265	299,924
Cash and cash equivalents at the beginning of the period	<u>2,506,611</u>	<u>912,362</u>
Cash and cash equivalents, end of period	<u>\$ 3,417,876</u>	<u>\$ 1,212,286</u>

	<u>Ruentex Innovative Development</u>	
	<u>January to March</u>	<u>January to March</u>
	<u>2025</u>	<u>2024</u>
Cash outflow from operating activities	(\$ 108,587)	(\$ 525,152)
Cash used in investing activities	-	-
Net Cash outflow (Inflow) from financing activities	(254)	478,609
Decrease of cash and cash equivalents current period	(108,841)	(46,543)
Cash and cash equivalents at the beginning of the period	<u>233,998</u>	<u>86,160</u>
Cash and cash equivalents, end of period	<u>\$ 125,157</u>	<u>\$ 39,617</u>

(IV) Provisions

The carbon fee levied under Taiwan's Climate Change Response Act and its regulations does not fall within the scope of IFRIC 21 Levies, but is instead recognized and measured in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. If the estimated annual emissions are likely to exceed the threshold for carbon fee imposition, a related liability should be accrued in the interim financial statements based on the proportion of emissions incurred to date relative to the estimated total annual emissions.

(V) Employee benefits

Pension - defined benefit plan

The pension cost for the interim period was calculated using the actuarially determined pension cost rate at the end of the previous fiscal year based on the period from the beginning of the year to the end of the current period. If there are significant market changes and major reductions, settlements or other significant one-time events after the end date, adjustments will be made accordingly, and the relevant information will be disclosed in accordance with the aforementioned policies.

(VI) Income tax

The annual average effective tax rate used to estimate the interim income tax expense shall be used to calculate the interim income before tax, and the relevant information is disclosed in accordance with the aforementioned policies.

V. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

There was no significant change in the current period. Please refer to Note 5 to the 2024 consolidated financial statements.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash on hand and revolving funds	\$ 9,924	\$ 10,445	\$ 10,648
Checking deposits	343,848	402,654	360,448
Demand deposits	1,431,919	1,273,991	686,150
Time deposits	1,939,102	1,528,673	1,141,211
Cash equivalents - Bonds under repurchase agreements	<u>3,000,531</u>	<u>2,708,189</u>	<u>1,635,162</u>
	<u>\$ 6,725,324</u>	<u>\$ 5,923,952</u>	<u>\$ 3,833,619</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 March 31, 2025, December 31, 2024, and March 31, 2024 due to advance receipt trust for construction projects, project performance bond, contracted business, and warranty were NT\$594,869, NT\$726,498, and NT\$1,115,746, respectively, of which NT\$400,305, NT\$505,955, and NT\$895,925 were classified as other current assets - other financial assets. Please refer to Note 6(4) for the description; and NT\$194,564, NT\$220,543, and NT\$219,821 were classified as other non-current assets - other financial assets. Please refer to Note 6(13) for details.

(II) Notes and accounts receivable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Notes receivable	\$ 196,621	\$ 247,931	\$ 916,213
Notes Receivable – related party	40	979	-
	<u>\$ 196,661</u>	<u>\$ 248,910</u>	<u>\$ 916,213</u>
Accounts receivable (Note)	\$ 176,125	\$ 236,672	\$ 238,280
Construction payment receivable	2,676,395	1,413,417	2,114,704
Less: Allowance for loss	(7,113)	(10,796)	(6,163)
Subtotal	<u>2,845,407</u>	<u>1,639,293</u>	<u>2,346,821</u>
Accounts receivable - related party	4,071	4,233	14,450
	<u>\$ 2,849,478</u>	<u>\$ 1,643,526</u>	<u>\$ 2,361,271</u>

Note: the amounts due within a year of the long-term rent receivables included; please refer to Note 6 (10) for details.

1. Ruentex Materials, the sub-subsidiary of the Company, 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 picks 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 receipts related to undelivered cement are offset by each other and presented in net values. As of March 31, 2025, December 31, 2024, and March 31, 2024, the amounts were NT\$66,566, NT\$92,525 and NT\$60,461.
2. The aging analysis of accounts receivable (including related parties) and notes receivable (including related parties) is as follows:

	<u>March 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not overdue	\$ 2,839,669	\$ 196,661	\$ 1,638,545	\$ 248,910
Overdue				
Within 30 days	12,174	-	6,171	-
31-60 days	1,365	-	1,070	-
61-90 days	401	-	1,970	-
91 days and more	2,982	-	6,566	-
	<u>\$ 2,856,591</u>	<u>\$ 196,661</u>	<u>\$ 1,654,322</u>	<u>\$ 248,910</u>

	March 31, 2024	
	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not overdue	\$ 1,530,822	\$ 916,213
Overdue		
Within 30 days	82,992	-
31-60 days	139,345	-
61-90 days	16,661	-
91 days and more	597,614	-
	<u>\$ 2,367,434</u>	<u>\$ 916,213</u>

The aging analysis was based on past due date.

3. The accounts receivable from the Group's contracts with customers (including related parties) on March 31, 2025, December 31, 2024, March 31, 2024, and January 1, 2024 were NT\$2,786,170, NT\$1,559,622, NT\$2,280,755, and NT\$2,564,110, respectively. The notes receivable from the Group's contracts with customers (including related parties) on March 31, 2025, December 31, 2024, March 31, 2024, and January 1, 2024 were NT\$196,661, NT\$248,910, NT\$916,213, and NT\$977,419, respectively.
4. The Group's maximum exposures to credit risk, before consideration of associated collateral held and other credit enhancements, were NT\$196,661, NT\$248,910, and NT\$916,213 for notes receivable (include related parties) as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively; NT\$2,849,478, NT\$1,643,526, and NT\$2,361,271 for accounts receivable (include related parties) as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.
5. For credit risk information related to accounts receivable and notes receivable, please refer to Note 12(2).
6. The Group's accounts receivable to a certain customer exceeded the normal credit period as of March 31, 2024. According to the Group's credit risk management policy, it should have appropriated an impairment loss of NT\$594,261. However, the Group has obtained guarantees for this account receivable the value of the collateral amounted to NT\$1,661,988, and no impairment loss was appropriated for the accounts receivable of this customer considering the collateral held. The accounts receivable of the Group from this customer were fully recovered on April 29, 2024, and the mortgage was written off on May 1, 2024. Please refer to Note 12 (2) for details.

(III) Inventories

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Construction business department:			
Real property for sale (including parking space)	\$ 6,492,451	\$ 7,083,226	\$ 7,992,254
Property under construction	16,236,796	14,697,793	11,568,885
Construction land	4,771,100	4,770,759	4,832,413
Prepayment for land purchases	2,420,273	2,160,746	3,300,734
Materials and supplies	574,725	527,538	463,289
Work in progress and finished goods	290,985	249,093	276,429
Less: Allowance for valuation losses	(527,700)	(520,789)	(540,239)
Subtotal	<u>30,258,630</u>	<u>28,968,366</u>	<u>27,893,765</u>
Hypermarket and Franchise Business Department:			
Merchandise inventory	94,292	110,604	107,114
Less: allowance for obsolescence loss	(1,084)	(793)	(925)
Subtotal	<u>93,208</u>	<u>109,811</u>	<u>106,189</u>
Total	<u>\$ 30,351,838</u>	<u>\$ 29,078,177</u>	<u>\$ 27,999,954</u>

1. Inventory and construction costs recognized as expense in the current period.

	<u>January to March 2025</u>	<u>January to March 2024</u>
Cost of inventories sold and construction costs	\$ 5,086,352	\$ 5,004,710
Loss on physical inventory	1,920	2,211
Unallocated manufacturing costs	-	1,710
Revenue from sales of scraps	(11,245)	(5,958)
Valuation loss	<u>7,202</u>	<u>369</u>
	<u>\$ 5,084,229</u>	<u>\$ 5,003,042</u>

2. Inventory capitalization amount and interest range:

	<u>January to March 2025</u>	<u>January to March 2024</u>
Amount of capitalization	<u>\$ 70,181</u>	<u>\$ 61,277</u>
Interest rate collars of capitalization	1.75%~2.01%	1.71%~2.69%

3. The aforementioned construction lands include the payment amount of the Company for the purchase of the agricultural lands. Since they are still agricultural lands, and the land category has not been changed completely, the ownership of the lands is still registered under the name of third party, and pledge has been set on such agricultural lands, please refer to Note 7.
4. Ruentex Innovative Development leased the part of the floors of the building at Yucheng Section in Nangang in February and December 2024, and was therefore reclassified as investment property - land of NT\$2,517,076 and NT\$51,701, and investment property - building of NT\$2,861,115 and NT\$82,786.
5. For the collateral status for the inventory of the aforementioned Construction Business Department, please refer to Note 8.

(IV) Other Current Assets

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Joint construction guarantee deposits	\$ 545,733	\$ 575,054	\$ 488,226
Restricted bank deposits	400,305	505,955	895,925
Guarantee deposits paid	28,788	28,318	25,748
Incremental costs of obtaining contracts	142,190	138,927	125,568
Others	<u>23,380</u>	<u>14,125</u>	<u>17,913</u>
	<u>\$ 1,140,396</u>	<u>\$ 1,262,379</u>	<u>\$ 1,553,380</u>

Details of the Group's other financial assets pledged to others as collateral are provided in Note 8.

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

<u>Item</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Non-current items			
Equity Instrument			
Shares of TWSE listed companies	\$ 2,816,109	\$ 2,816,109	\$ 2,816,109
Shares of the TPEX listed companies	820,766	820,766	808,039
Shares of non-TWSE/TPEX listed companies	<u>287,287</u>	<u>287,287</u>	<u>287,287</u>
	<u>3,924,162</u>	<u>3,924,162</u>	<u>3,911,435</u>
Adjustments for valuation			
- Shares of TWSE listed companies	732,241	1,530,771	750,253
- Shares of the TPEX listed companies	569,783	658,925	591,828
- Shares of non-TWSE/TPEX listed companies	<u>(213,375)</u>	<u>(213,375)</u>	<u>(205,266)</u>
	<u>1,088,649</u>	<u>1,976,321</u>	<u>1,136,815</u>
Total	<u>\$ 5,012,811</u>	<u>\$ 5,900,483</u>	<u>\$ 5,048,250</u>

1. The Group elected to classify the TWSE listed securities investments for stable dividends as financial assets at fair value through other comprehensive income; such investments amounted to NT\$3,548,350, NT\$4,346,880, and NT\$3,566,362 as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.
2. The Group elected to classify the strategic investments in over-the-counter market as financial assets at fair value through other comprehensive income, amounting to NT\$1,390,549, NT\$1,479,691, and NT\$1,399,867 as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.
3. The Group elected to classify the strategic investments in unlisted stock as financial assets at fair value through other comprehensive income, amounting to NT\$73,912, NT\$73,912, and NT\$82,021 as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.
4. The Group's maximum exposure to credit risk for financial assets at fair value through other comprehensive income, before consideration of associated collateral held and other credit enhancements, was NT\$5,012,811, NT\$5,900,483, and NT\$5,048,250 as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.
5. Brogent Technologies Inc., a listed company held by the Group, has in August 2024 distributed cash of \$1,404 from the original capital surplus contributed to by shareholders. This was regarded as a reduction of the Group's original cost of the holding.
6. TPEx-listed company, TaiMed Biologics, Inc., increased its capital in cash in March 2024, and the Company subscribed for 655 thousand shares in the amount of NT\$53,701.
7. TPEx-listed company, OBI Pharma, Inc., increased its capital in cash in November 2024, and the Group subscribed for 221 shares in the amount of NT\$14,131.
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>January to March 2025</u>	<u>January to March 2024</u>
Changes in fair value recognized as other comprehensive income	<u>(\$ 887,672)</u>	<u>(\$ 247,582)</u>

9. Details of the Group's financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8.
10. For information on the price risk of financial assets at fair value through other comprehensive income, please refer to Note 12(2).

(VI) Financial assets at amortized cost

<u>Item</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current items:			
Demand deposit with original maturity date for more than three months	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Non-current items:			
Subordinated corporate bonds	<u>\$ 560,000</u>	<u>\$ 560,000</u>	<u>\$ 560,000</u>

1. Detail of the financial Assets at amortized cost recognized under the profit (loss) is as follows:

	<u>January to March 2025</u>	<u>January to March 2024</u>
Interest revenue	<u>\$ 5,092</u>	<u>\$ 4,900</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\$610,000, NT\$610,000, and NT\$560,000 as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.
3. The Group did not pledge financial assets measured at amortized costs to others as collateral.
4. 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

1. Details are as follows:

<u>Name of the associate</u>	<u>Carrying amount</u>		
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Shing Yen Construction Development Co., Ltd. (Shing Yen)	\$ 416,121	\$ 414,610	\$ 400,272
Ruentex Industries Ltd. (Ruentex Industries)	11,309,601	11,713,108	11,896,480
Gin-Hong Investment Co., Ltd. (Gin-Hong)	678,365	824,409	654,232
Sunny Friend Environmental Technology Co., Ltd. (Sunny Friend)	1,422,947	1,366,891	1,334,481
Ruen Chen Investment Holdings Ltd. (Ruen Chen)	65,959,248	69,328,548	70,167,293
Nan Shan Life Insurance Co., Ltd. (Nan Shan Life Insurance)	788,734	826,026	843,051
Global Mobile Corp. (Global Mobile)	-	-	-
Concord Greater China Ltd.(Concord)	810,121	937,660	634,495
Sinopac Global Investment Ltd.(Sinopac)	742,177	754,966	617,615
Teh Hsin Enterprise Co., Ltd. (Teh Hsin)	1,611,632	1,576,964	-
	<u>\$ 83,738,946</u>	<u>\$ 87,743,182</u>	<u>\$ 86,547,919</u>

2. The investment shareholder percentage is as follows:

<u>Name of the associate</u>	<u>Shareholding percentage</u>		
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Shing Yen	45.45%	45.45%	45.45%
Ruentex Industries	14.58%	14.58%	14.58%
Gin-Hong	30.00%	30.00%	30.00%
Sunny Friend	25.67%	25.67%	25.67%
Ruen Chen Investment Holdings	25.00%	25.00%	25.00%
Nan Shan Life Insurance	0.23%	0.23%	0.23%
Global Mobile	9.46%	9.46%	9.46%
Concord	25.56%	25.56%	25.46%
Sinopac	49.06%	49.06%	49.06%
Teh Hsin	35.00%	35.00%	-

3. Details of the share of profit or loss of associates accounted for under equity method are as follows:

<u>Name of the associate</u>	<u>January to March 2025</u>	<u>January to March 2024</u>
Shing Yen	\$ 1,510	\$ 1,884
Ruentex Industries	360,076	406,157
Gin-Hong	(36)	(89)
Sunny Friend	42,696	15,660
Ruen Chen Investment Holdings	2,730,467	3,015,377
Nan Shan Life Insurance	28,269	31,255
Concord	2,344	2,522
Sinopac	5,888	5,817
Teh Hsin	34,668	-
	<u>\$ 3,205,882</u>	<u>\$ 3,478,583</u>

4. The basic information of the associates that are material to the Group are as follows:

<u>Company name</u>	<u>Principal Place of Business</u>	<u>Shareholding percentage</u>			<u>Nature of relationship</u>	<u>Measurement method</u>
		<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>		
Ruen Chen Investment Holdings	Taiwan	25.00%	25.00%	25.00%	Diversification	Equity method
Ruentex Industries	Taiwan	14.58%	14.58%	14.58%	Diversification	Equity method

5. The summarized financial information of the associates that are material to the Group are as follows:

Balance Sheets

	<u>Ruen Chen Investment Holdings</u>		
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current Assets	\$ 162,123,168	\$ 146,279,074	\$ 136,394,103
Non-current assets (Note 1)	5,501,892,492	5,493,140,523	5,418,126,477
Current liabilities	(20,922,783)	(19,381,724)	(51,618,730)
Non-current liabilities	(5,343,706,980)	(5,305,494,025)	(5,184,235,676)
Total net assets (Note 2)	<u>\$ 299,385,897</u>	<u>\$ 314,543,848</u>	<u>\$ 318,666,174</u>
Portion of the net assets of associates	<u>\$ 65,959,248</u>	<u>\$ 69,328,548</u>	<u>\$ 70,167,293</u>

Note 1: Nan Shan Life Insurance, a subsidiary controlled by Ruen Chen Investment Holdings, adopts the fair value model for the subsequent measurement of the investment property held, and the valuation technique is used in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises.

Note 2: Including the non-controlling interests in Ruen Chen Investment Holdings as of March 31, 2025, December 31, 2024, and March 31, 2024 in the amounts of NT\$35,548,905, NT\$37,229,657, and NT\$37,997,002, respectively.

	<u>Ruentex Industries</u>		
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current Assets	\$ 5,224,363	\$ 5,187,958	\$ 4,409,979
Non-current assets	108,921,212	112,858,541	110,939,521
Current liabilities	(1,836,249)	(1,733,852)	(1,953,491)
Non-current liabilities	(11,085,338)	(11,082,343)	(8,051,755)
Total net assets (Note)	<u>\$ 101,223,988</u>	<u>\$ 105,230,304</u>	<u>\$ 105,344,254</u>
Portion of the net assets of associates	<u>\$ 11,309,601</u>	<u>\$ 11,713,108</u>	<u>\$ 11,896,480</u>

Note: The difference from the carrying amount mainly represents the difference between non-controlling interests and mutual shareholdings.

Statements of Comprehensive Income

	<u>Ruen Chen Investment Holdings</u>	
	<u>January to March 2025</u>	<u>January to March 2024</u>
Income	<u>\$ 126,800,850</u>	<u>\$ 133,411,035</u>
Current Net Profit (Note 1)	12,195,962	13,470,196
Other comprehensive income (Net of tax)	(27,353,914)	7,272,680
Total Comprehensive Income Current Period (Note 2)	<u>(\$ 15,157,952)</u>	<u>\$ 20,742,876</u>

Note 1: Included the net combined income attributable to non-controlling interests in Ruen Chen for the three months ended March 31, 2025 and 2024, in the amount of NT\$1,274,095 and NT\$1,408,689, respectively.

Note 2: Included the net combined comprehensive income attributable to non-controlling interests in Ruen Chen Investment Holdings for the three months ended March 31, 2025 and 2024, in the amounts of NT(\$1,680,752) and NT\$2,168,697, respectively.

	Ruentex Industries	
	January to March 2025	January to March 2024
Income	\$ 648,982	\$ 702,431
Net income of current period	3,308,125	4,478,737
Other comprehensive income (Net of tax)	(7,314,218)	2,745,954
Total comprehensive income for this period	(\$ 4,006,093)	\$ 7,224,691

6. The carrying amount of the Group's interests in all individually immaterial associates and the operating results are summarized below:

As of March 31, 2025, December 31, 2024, and March 31, 2024, the carrying amounts of the Group's individually immaterial affiliates amounted to NT\$6,470,097, NT\$6,701,526, and NT\$4,484,146, respectively.

	January to March 2025	January to March 2024
Net income of current period	\$ 12,481,841	\$ 13,565,957
Other comprehensive income (Net of tax)	(29,323,315)	6,238,932
Total comprehensive income for this period	(\$ 16,841,474)	\$ 19,804,889

7. (1) As of March 31, 2025 and 2024, among the investments accounted under equity method, the amounts for Shing Yen, Gin-Hong, Concord, and Sinopac were measured based on the financial reports of each investee company that have not been audited by other certified public accountants during the same period.

- (2) As of December 31, 2024, among the investments accounted under equity method, the amounts for Jing-Hong, Concord, and Sinopac were measured based on the financial reports audited by other independent accountants.

8. The fair value of the Group's investments accounted under equity method with quoted market prices is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Ruentex Industries	\$ 9,516,437	\$ 11,658,037	\$ 9,564,743
Sunny Friend	2,719,668	2,863,159	3,256,927
	\$ 12,236,105	\$ 14,521,196	\$ 12,821,670

9. Ruen Chen Investment Holdings conducted a cash capital increase December 2024, and the Company subscribed for the new issued shares in proportion to its shareholding at NT\$125,000.

10. Global Mobile was an investee of the Company with valuation under equity method - Ruentex Industries' investment under equity method. After the assessment of the Company, the Company had significant influence on Global Mobile; therefore, the investment under equity method was adopted to recognize such company. Global Mobile received a letter in March 2015 stating that its application for the extension of wireless broadband reception business was rejected by the competent authority. Global Mobile had filed appeal for its application according to the law, and subsequently, in November 2015, it received a letter informing that its appeal had been rejected by the competent authority such that its service was terminated in December of the same year. Global Mobile had filed appeal and subsequent litigation according to laws. However, based on the conservative and stable business principle of the Company, it had recognized an accumulated provision of impairment loss as NT\$5,247. As of the reporting date, the litigation has been concluded, but the dissolution procedure has not yet been resolved.
11. As instructed by the FSC on June 13, 2016, the Company issued a letter of undertaking for the investment in Nan Shan General Insurance Co., Ltd. (Referred herein as "Nan Shan General Insurance"; originally named as Chartis Taiwan Insurance Co., Ltd.), and the undertaking is as follows:
 - (1) The Company undertakes to request Nan Shan Life Insurance to ensure its long-term operation in handling the investment in Nan Shan General Insurance according to the laws and FSC's commitment.
 - (2) The Company undertakes that after Nan Shan Life Insurance acquires 200,000,000 ordinary shares of Nan Shan General Insurance, i.e. 100% issued shares with voting rights, when Nan Shan General Insurance has the needs for capital increase at any time, the Company will request Nan Shan Life Insurance to handle the capital increase for Nan Shan General Insurance according to the laws and the request of the competent authority.
 - (3) To fulfill the commitment of the Company and Ruen Chen Investment Holdings other shareholders on the long-term operation of Nan Shan General Insurance, in case where there is a need for capital increase for the Nan Shan General Insurance according to the laws or the request of competent authority such that new shares are to be issued for the capital increase, the Company and Ruen Chen Investment Holdings other shareholders undertake to request Nan Shan Life Insurance to hold at least a percentage of 51% on the number of outstanding ordinary shares.
12. To meet the demands for reinvestment and diversify the operations, the Company invested in Nan Shan Life Insurance with a shareholding of 0.23%. As Nan Shan Life Insurance is the investee company accounted for the subsidiary of Ruen Chen Investment Holding, the Company is considered has a material influence to Nan Shan Life Insurance, and thus Nan Shan Life Insurance was recognized as the investment accounted with the equity method.
13. In order to protect shareholders' equity, the Company's affiliate, Concord, bought back and retired a total of 166,666 treasury shares in April 2024. As the Company did not participate in Concord's transaction mentioned above, its shareholding increased from 25.46% to 25.56%, while the capital surplus was adjusted for increase at the same time and recognized the changes in ownership interests in associates of NT\$102 (including income tax effect of NT\$20).
14. On September 20, 2024, the Board of Directors of the Group resolved to acquire equity interest in TEH HSIN. A share purchase agreement was entered into with a non-related party on September 26, 2024, for the purchase of 14,969,837 shares at NT\$104.5 per share, totaling NT\$1,564,348. The acquired shares represent a 35.00% equity interest. The share transfer registration was completed on November 15, 2024.

15. The Group holds 14.58% of Ruentex Industries as the single largest shareholder of the company. Taking into account the attendance of past shareholders' meetings, it shows that other shareholders are actively participating in Ruentex Industries' business decision-making. There are nine seats on the board of directors of Ruentex Development, the Group does not hold any seat, showing that the Group has no actual ability to lead Ruentex Industries activities. Therefore, it is judged that the Company has no control over it and only has significant influence.
16. The Group holds 25.67% of Sunny Friend as the single largest shareholder of the company. Taking into account the attendance of past shareholders' meetings, it shows that other shareholders are actively participating in Sunny Friend's business decision-making. There are nine seats on the board of directors of Ruentex Development, only two of which are occupied by the Group, showing that the Group has no actual ability to lead Sunny Friend activities. Therefore, it is judged that the Company has no control over it and only has significant influence.
17. The Group holds a 35.00% equity interest in TEH HSIN and is its single largest shareholder. However, based on the past shareholders' meeting attendance records, it is evident that other shareholders actively participate in TEH HSIN's decision-making processes. Among the nine seats on TEH HSIN's Board of Directors, the Group holds only three. This indicates that the Group does not have the practical ability to direct the relevant activities of TEH HSIN. Accordingly, the Group has determined that it does not have control over TEH HSIN, but instead has significant influence.
18. Although the Group's holding of the voting shares of Ruentex Industries, directly or indirectly, does not exceed 20%, but it meets the conditions for significant influence, it is recognized as investment under equity method.
19. Details of the Group's investments accounted under equity method pledged to others as collateral are provided in Note 8.
20. (1) Due to the supply chain disruption caused by the global pandemic and the Russo-Ukrainian War, and other factors that have raised global inflationary pressures, interest rates have surged in 2022, which has met the definition of an extreme scenario defined by the Insurance Capital Standard (ICS). Therefore, the Board of Directors of Nan Shan Life Insurance, an insurance investee directly and indirectly invested in by the Group through Ruen Chen Investment Holdings, passed a resolution on September 29, 2022 in accordance with IFRS 9 to change the business model of financial assets management. For the affected financial assets, the collection of contractual cash flows and sales of financial assets were mainly replaced with the collection of contractual cash flows through the financial assets held. The reclassification of financial assets derived from the change of this business model is in alignment with the Accounting Research and Development Foundation's Letter Ji-Mi No. 0000000354 regarding the guidance on the reclassification of financial assets due to changes in the business model for managing financial assets in the insurance industry due to drastic changes in the international economic situation. The Company recognized the effect of reclassification of Nan Shan Life Insurance's assets in accordance with IAS 28 on October 1, 2022, including an increase of investments using the equity method by NT\$58,572,369, a decrease in deferred tax assets by NT\$447,554, and an increase in other equity by NT\$58,124,815. In accordance with the Letter Jin-Guan-Zheng-Fa No. 1110384722, when the distributable earnings are distributed, a special reserve for the changes in the fair value of the financial assets reclassified by Nan Shan Life Insurance should be provided in proportion to the shareholding using the equity method. Additionally, when there is a reversal of the change in the fair value of financial assets

reclassified by Nan Shan Life Insurance, the Company may reverse the special reserve and distribute the special reserve in proportion to the shareholding using the equity method; the changes in the fair values of financial assets reclassified by Nanshan Life Insurance and the corresponding special reserve provided are disclosed in the notes to the annual financial statements. The information on the finances before and after the relevant reclassification dates is summarized as follows:

	<u>September 30, 2022</u> <u>(before reclassification)</u>	<u>Effects of</u> <u>reclassification</u>	<u>October 1, 2022</u> <u>(after reclassification)</u>
Consolidated total assets	\$ 63,639,903	\$ 58,259,527	\$ 121,899,430
Consolidated total liabilities	42,618,055	-	42,618,055
Consolidated total equity	21,021,848	58,259,527	79,281,375

- (2) Nan Shan Life Insurance reclassified financial assets on October 1, 2022 that were affected by significant changes in reclassification from being measured at fair value through other comprehensive income to being measured at amortized cost. As of December 31, 2024 and 2023, the fair value of the affected financial assets was NT\$1,011,103,167 and NT\$1,036,744,167, respectively. If Nan Shan Life Insurance had not reclassified these assets on October 1, 2022, the other equity would have been (NT\$344,651,654) and (NT\$256,308,182) as of December 31, 2024 and 2023. The after-tax change in fair value recognized in other comprehensive income for 2024 and 2023 was (NT\$88,343,472) and NT\$34,238,192, respectively.
- (3) As per Jin-Guan-Zheng-Fa No. 1110384722 and the Questions and Answers Regarding Public Companies' Applicability of the Provision of Special Reserves for Changes in the Fair Values of Financial Assets Reclassified by Insurance Investees, when the cumulative amount of changes in the fair values of the financial assets reclassified by an insurance investee in proportion to the shareholding using the equity method, the amount of the special reserve that should be available for the period (that is, the balance of the special reserve after provision and reversal) shall not exceed the carrying amount of the public company's investment in the insurance investee using the equity method for the period. As of December 31, 2024 and 2023, the Company has in accordance with the aforementioned regulations appropriated NT\$87,624,071 and NT\$65,163,669 as special reserve. As of December 31, 2024 and 2023, it has accumulated to NT\$3,027,780 by shareholder resolution approval.

(VIII) Property, plant, and equipment

	2025								
	Land	Buildings and structures	Machinery and equipment	Warehouse equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending for inspection	Total
January 1									
Cost	\$ 2,005,866	\$ 2,293,476	\$ 2,974,500	\$ 30,441	\$ 74,613	\$ 213,044	\$ 1,518,161	\$ 59,486	\$ 9,169,587
Accumulated depreciation	- (838,971)	(1,662,858)	(20,016)	(61,303)	(163,770)	(807,981)	-	(3,554,899)	
Accumulated impairment	- (10,331)	(55,441)	-	-	-	(379)	-	(66,151)	
	<u>\$ 2,005,866</u>	<u>\$ 1,444,174</u>	<u>\$ 1,256,201</u>	<u>\$ 10,425</u>	<u>\$ 13,310</u>	<u>\$ 49,274</u>	<u>\$ 709,801</u>	<u>\$ 59,486</u>	<u>\$ 5,548,537</u>
January 1	\$ 2,005,866	\$ 1,444,174	\$ 1,256,201	\$ 10,425	\$ 13,310	\$ 49,274	\$ 709,801	\$ 59,486	\$ 5,548,537
Addition	- 562	65,821	- 704	4,243	18,773	54,527	144,630		
Transfer (Note)	- -	3,194	- -	209	(1,884)	1,519			
Costs of disposal of assets	- -	(5,272)	- (196)	(816)	(3,411)	- (9,695)			
Accumulated depreciation on disposal date	- -	5,272	- 196	803	3,411	- 9,682			
Depreciation expense	- (13,049)	(59,441)	(904)	(1,026)	(5,099)	(30,057)	- (109,576)		
March 31	<u>\$ 2,005,866</u>	<u>\$ 1,431,687</u>	<u>\$ 1,265,775</u>	<u>\$ 9,521</u>	<u>\$ 12,988</u>	<u>\$ 48,405</u>	<u>\$ 698,726</u>	<u>\$ 112,129</u>	<u>\$ 5,585,097</u>
March 31									
Cost	\$ 2,005,866	\$ 2,294,038	\$ 3,038,243	\$ 30,441	\$ 75,121	\$ 216,471	\$ 1,533,732	\$ 112,129	\$ 9,306,041
Accumulated depreciation	- (852,020)	(1,717,027)	(20,920)	(62,133)	(168,066)	(834,627)	-	(3,654,793)	
Accumulated impairment	- (10,331)	(55,441)	-	-	-	(379)	-	(66,151)	
	<u>\$ 2,005,866</u>	<u>\$ 1,431,687</u>	<u>\$ 1,265,775</u>	<u>\$ 9,521</u>	<u>\$ 12,988</u>	<u>\$ 48,405</u>	<u>\$ 698,726</u>	<u>\$ 112,129</u>	<u>\$ 5,585,097</u>

Note: The amount NT\$1,519 is reclassified from prepayments for business facilities.

2024

	Land	Buildings and structures	Machinery and equipment	Warehouse equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending for inspection	Total
January 1									
Cost	\$ 2,005,866	\$ 2,270,668	\$ 2,666,006	\$ 30,441	\$ 69,895	\$ 198,020	\$ 1,437,984	\$ 209,016	\$ 8,887,896
Accumulated depreciation	- (780,295)	(1,531,153)	(16,027)	(57,708)	(151,250)	(714,299)	-	(3,250,732)	
Accumulated impairment	- (10,331)	(55,441)	-	-	-	(379)	-	(66,151)	
	<u>\$ 2,005,866</u>	<u>\$ 1,480,042</u>	<u>\$ 1,079,412</u>	<u>\$ 14,414</u>	<u>\$ 12,187</u>	<u>\$ 46,770</u>	<u>\$ 723,306</u>	<u>\$ 209,016</u>	<u>\$ 5,571,013</u>
January 1	\$ 2,005,866	\$ 1,480,042	\$ 1,079,412	\$ 14,414	\$ 12,187	\$ 46,770	\$ 723,306	\$ 209,016	\$ 5,571,013
Addition	-	261	12,459	-	-	459	8,991	37,685	59,855
Transfer (Note)	-	-	162,767	-	-	-	18,110	(180,187)	690
Costs of disposal of assets	-	- (941)	-	-	- (329)	-	-	-	(1,270)
Accumulated depreciation on disposal date	-	-	941	-	-	320	-	-	1,261
Depreciation expense	- (16,275)	(54,795)	(1,011)	(904)	(4,697)	(26,717)	-	(104,399)	
March 31	<u>\$ 2,005,866</u>	<u>\$ 1,464,028</u>	<u>\$ 1,199,843</u>	<u>\$ 13,403</u>	<u>\$ 11,283</u>	<u>\$ 42,523</u>	<u>\$ 723,690</u>	<u>\$ 66,514</u>	<u>\$ 5,527,150</u>
March 31									
Cost	\$ 2,005,866	\$ 2,270,929	\$ 2,840,291	\$ 30,441	\$ 69,895	\$ 198,150	\$ 1,465,085	\$ 66,514	\$ 8,947,171
Accumulated depreciation	- (796,570)	(1,585,007)	(17,038)	(58,612)	(155,627)	(741,016)	-	(3,353,870)	
Accumulated impairment	- (10,331)	(55,441)	-	-	-	(379)	-	(66,151)	
	<u>\$ 2,005,866</u>	<u>\$ 1,464,028</u>	<u>\$ 1,199,843</u>	<u>\$ 13,403</u>	<u>\$ 11,283</u>	<u>\$ 42,523</u>	<u>\$ 723,690</u>	<u>\$ 66,514</u>	<u>\$ 5,527,150</u>

Note: The amount NT\$690 is reclassified from prepayments for business facilities.

1. Details of the Group's 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 Company's Sub-subsidiary, Ruentex Materials, is held in the name of another person and a mortgage is created to Ruentex Materials. Please refer to Note 7 for details.

(IX) Lease transactions - lessees

1. The underlying assets of the Group to be leased include the land for operation, operating offices, Zhonglun Building office, company vehicles and mines from others in the form of operating lease, and the lease period is from 2012 to 2084. Lease contracts are individually negotiated and contain various terms and conditions. Rights may not be transferred to others in the form of business transfer or merger.
2. The information of the right-of-use assets are as the following:

	2025				
	<u>Land - rent</u>	<u>Buildings - rent</u>	<u>Land - premiums</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1					
- Cost	\$ 1,090,731	\$ 1,220,487	\$ 1,223,702	\$ 6,644	\$ 3,541,564
- Accumulated depreciation	(138,007)	(686,598)	(145,007)	(3,197)	(972,809)
- Accumulated impairment	-	-	(28,669)	-	(28,669)
	<u>\$ 952,724</u>	<u>\$ 533,889</u>	<u>\$ 1,050,026</u>	<u>\$ 3,447</u>	<u>\$ 2,540,086</u>
January 1	\$ 952,724	\$ 533,889	\$ 1,050,026	\$ 3,447	\$ 2,540,086
Depreciation expense	(18,479)	(41,165)	(6,226)	(555)	(66,425)
March 31	<u>\$ 934,245</u>	<u>\$ 492,724</u>	<u>\$ 1,043,800</u>	<u>\$ 2,892</u>	<u>\$ 2,473,661</u>
March 31					
- Cost	\$ 1,090,731	\$ 1,220,487	\$ 1,223,702	\$ 6,644	\$ 3,541,564
- Accumulated depreciation	(156,486)	(727,763)	(151,233)	(3,752)	(1,039,234)
- Accumulated impairment	-	-	(28,669)	-	(28,669)
	<u>\$ 934,245</u>	<u>\$ 492,724</u>	<u>\$ 1,043,800</u>	<u>\$ 2,892</u>	<u>\$ 2,473,661</u>

	2024				
	<u>Land - rent</u>	<u>Buildings - rent</u>	<u>Land - premiums</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1					
- Cost	\$ 951,387	\$ 1,218,090	\$ 1,222,045	\$ 6,181	\$ 3,397,703
- Accumulated depreciation (	78,113)	(522,440)	(120,550)	(1,014)	(722,117)
- Accumulated impairment	-	-	(28,669)	-	(28,669)
	<u>\$ 873,274</u>	<u>\$ 695,650</u>	<u>\$ 1,072,826</u>	<u>\$ 5,167</u>	<u>\$ 2,646,917</u>
January 1	\$ 873,274	\$ 695,650	\$ 1,072,826	\$ 5,167	\$ 2,646,917
Addition-Newly added lease contracts	-	1,973	-	-	1,973
Lease contract modifications					
- costs	25	369	-	-	394
Revaluation of lease liabilities	9,846	-	-	-	9,846
Depreciation expense	(24,576)	(41,155)	(6,215)	(517)	(72,463)
March 31	<u>\$ 858,569</u>	<u>\$ 656,837</u>	<u>\$ 1,066,611</u>	<u>\$ 4,650</u>	<u>\$ 2,586,667</u>
March 31					
- Cost	\$ 961,258	\$ 1,220,432	\$ 1,222,045	\$ 6,181	\$ 3,409,916
- Accumulated depreciation (	102,689)	(563,595)	(126,765)	(1,531)	(794,580)
- Accumulated impairment	-	-	(28,669)	-	(28,669)
	<u>\$ 858,569</u>	<u>\$ 656,837</u>	<u>\$ 1,066,611</u>	<u>\$ 4,650</u>	<u>\$ 2,586,667</u>

3. Rents and premiums to lands are as follows:

- (1) In January 2014, Ruentex Construction signed the land superficies rights contracts with Northern Region Branch, National Property Administration, MOF for the two lands located at Land No. 265, sub-section 6, Baoqing Section, Songshan District, Taipei City with a contract period of 70 years. The total royalty amounted NT\$1,711,112 was paid in full up on the signing of contract. In addition to the royalty, monthly rent equal to 3.5% of the publicly announced land value should be paid monthly. The premium was paid in full in January 2014, and the registration for the superficies right was completed on January 15, 2014.
- (2) Citylink Nangang signed the construction contraction and operation contract for Nangang Railway Station building with the Taiwan Railway Administrations in December 2006; Citylink Songshan signed the private participation in construction and operation contract for Songshan Railway Station building and parking tower with the Taiwan Railway Administrations in May 2007. Details of the contracts are as follows:
 - A. Construction and operation contract for Taiwan Railway Nangang Railway Station Building:
 - a. Period of development and operation:
A total of 52 years since the signing date of superficies right contract. Citylink Nangang signed the superficies right contract on September 27, 2012. Taiwan Railway Administrations handed over the associated land and building to Citylink Nangang, and Citylink Nangang confirmed and accepted on October 19, 2012. The registration for setting the superficies right was completed on October 25, 2012, and a guarantee note amounting NT\$250,000 was pledged as collateral on the same date.
 - b. Development premium:
Citylink Nangang should pay a total of NT\$80 million development premium in 5

installments from the year of contract signing. The former development premium was paid in full.

c. Operation premium:

Within the approximate 52 years, from the date that the building and equipment associated to the Nangang Railway Station Building project were confirmed and handed over to Citylink Nangang to the end of the operation period, Citylink Nangang should pay certain amounts of premium each year, totaling NT\$6.82548 billion. The Company has signed the first supplementary agreement in October 2024. Payment for a fixed premium amount must be made each year for a total of NT\$22.66 million.

As of March 31, 2025, December 31, 2024, and March 31, 2024, the cumulative premiums paid were NT\$1,036,850, NT\$1,010,514, and NT\$932,169, respectively.

d. Performance bond:

Citylink Nangang should pay the performance bond of NT\$20 million before signing the operation contract for Nangang Railway Station Building, and another performance bond of NT\$180 million before the first transfer of operation area (the OT part). The aforementioned bond was paid with NT\$100 million guarantee bond certificate issued by the domestic bank that is registered with the Ministry of Finance and NT\$100 million refundable deposit. After one year of operation, as specified in the contract, the Taiwan Railway Administrations should return NT\$100 million of performance bond. In the event of default by Citylink Nangang resulting in termination of contract by the Taiwan Railway Administrations, the Taiwan Railway Administrations can forfeit the performance bond without proceeding any lawsuit or arbitration procedures, and Citylink Nangang may not object. The performance bond above was collected in January 2017.

e. Land rent:

During the construction period, the land rent is calculated as 1% of the total announced land value; during the operation period, the land rent is calculated as 1%~3% of the total announced land value. On March 8, 2023, Ruentex Xu-Zhan signed the "Second Supplementary Contract for the Contract for the Designated Land Rights of the TRA Nangang Station Building" with Taiwan Railway. From October 27, 2022, the land rent is calculated based on Article 2 of the "Regulations for Favorable Rentals Regarding Public Land Lease and Superficies in Infrastructure Projects" which stipulates that the rent during the operation period is the product of the current declared land value and the tax rate of the land value requisitioned, plus 2% of the land value declared in the current period, which is the year 2006, plus the amount retained by Nangang in the current period minus 70% of 2% of the land value in 2006.

In addition, Citylink Nangang reached an agreement with Taiwan Railway Administrations to waive land rent for 2016, and the land rent amount of NT\$39,764 paid in that year will be debited to the land rent payable across the following 4 years. The debit amount was NT\$9,764 for the first year, and NT\$10,000 for the remaining 3 years. As of March 31, 2025, December 31, 2024, and March 31, 2024, the effect of the initially applying IFRS 16 to the above amounts is NT\$20,000, which is recognized in "Investment Property" Land - Rent.

f. Return and transfer of operating assets:

At the end of the permitted period, Citylink Nangang should unconditionally return the operating assets owned by the Taiwan Railway Administrations and the existing operating assets acquired due to construction and operation of this project.

g. Other agreed matters:

Citylink Nangang should donate 30% of its net operating income from the parking spaces located within the contracted operating area to Taiwan Railway Administrations for the maintenance of the first-floor atrium and surrounding gardens and facilities at Nangang Railway Station. The preceding net operating income is the operating income net operating costs and administration expenses. The net operating loss from the parking spaces is presented below:

	<u>January to March 2025</u>	<u>January to March 2024</u>
Operating Revenue	\$ 5,332	\$ 5,262
Operation cost	(21,096)	(20,663)
Net operating losses	<u>(\$ 15,764)</u>	<u>(\$ 15,401)</u>

B. Private participation in construction and operation contract for the Songshan Railway Station building and parking tower:

a. Period of development and operation:

A total of 55 years since the next day of the signing date of superficies right contract, including construction and operation period. Citylink Songshan signed the superficies right contract with Taiwan Railway Administrations on August 30, 2012. Taiwan Railway Administrations handed over the associated land and building to Citylink Songshan, and Citylink Songshan confirmed and accepted on in September 2012. Citylink Songshan completed the registration for setting the superficies right on October 22, 2012.

b. Development premium:

Citylink Songshan should pay a total of NT\$120 million development premium in 4 installments from the year of contract signing. The former development premium was paid in full.

c. Operation premium:

Citylink Songshan should pay the operation premium amount by method as specified in the operation premium quotation annually. During official operation, the annual operation premium amount is calculated by using the actual net operating income multiplying by the “ratio of operation premium to net operating income,” and if the result is less than the “agreed minimum payment of operation premium,” the “agreed minimum payment of operation premium” amount should be paid.

d. Performance bond:

Citylink Songshan should pay the performance bond of NT\$20 million before signing the contract, and another performance bond of NT\$80 million before date for the transfer date of land and building assigned by Taiwan Railway Administration. The aforementioned bond was paid with guarantee bond certificate issued by the domestic bank that is registered with the Ministry of Finance. Upon completion of construction and receipt of use permit, as specified in the contract, the Taiwan Railway Administrations should return NT\$50 million of performance bond. Citylink Songshan took back the certificate in May 2015. Ruentex Bai-Yi adjusted the performance bond based on the price index according to the contract and paid an additional performance bond of NT\$3.78 million on May 1, 2022. In the event of default by Citylink Songshan resulting in termination of contract by the Taiwan Railway Administrations, the Taiwan Railway Administrations can forfeit the performance bond.

e. Land rent:

During the construction period, the land rent is calculated as 1% of the total announced land value; during the operation period, the land rent is calculated as 1%~3% of the total announced land value. On February 24, 2022, Ruentex Bai-Yi and Taiwan Railway signed the "Second Supplementary Contract for the Establishment of the Superficies for the Private Participation in the Construction and Operation Project of the Songshan Station Complex Building and Multi-dimensional Parking Lot". From January 1, 2022, the land rent is calculated based on Article 2 of the "Regulations for Favorable Rentals Regarding Public Land Lease and Superficies in Infrastructure Projects" which stipulates that the rent during the operation period is the product of the current declared land value and the tax rate of the land value requisitioned, plus 2% of the land value declared in the current period, which is the year 2007.

f. Return and transfer of operating assets:

At the end of the permitted period, Citylink Songshan should unconditionally return the operating assets owned by the Taiwan Railway Administrations and the existing operating assets acquired due to construction and operation of this project.

4. Lease liabilities related to lease contracts are as the following:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Total amount of lease liabilities	\$ 10,710,515	\$ 10,819,524	\$ 10,872,493
Less: Current portion (listed as lease liabilities - current)	(308,946)	(307,818)	(309,954)
	<u>\$ 10,401,569</u>	<u>\$ 10,511,706</u>	<u>\$ 10,562,539</u>

5. Information of income items related to lease contracts are as the following:

<u>Items affects the income of the current period</u>	<u>January to March 2025</u>	<u>January to March 2024</u>
Interest expenses of lease liabilities	\$ 61,169	\$ 61,522
Expenses of short-term lease contracts	<u>30,750</u>	<u>32,635</u>
	<u>\$ 91,919</u>	<u>\$ 94,157</u>

6. The Company's total lease cash outflows were NT\$200,928 and NT\$198,621 for the three months ended March 31, 2025 and 2024, respectively, which consisted of NT\$30,750 and NT\$32,635 for short-term lease contracts; NT\$61,169 and NT\$61,522 for interest expense on lease liabilities; and NT\$109,009 and NT\$104,464 for lease principal repayments.

7. Influences to the lease liabilities from variable leases

The subsidiary of the Company, Ruentex Pai Yi, has an underlying lease subject to the variable lease payment terms in the lease contract, which is the rent revenues from the proprietary booths which were the Service Center included to OT mall. To the underlying lease in the scope, the premium is calculated based on "50% of the net revenues from proprietary booths" or "the minimum payment of the committed operation premium," whichever is higher. For the rent revenues of the proprietary booths related to the sales

amount variation, shall 50% of the net value exceed “the minimum payment of the committed operation premium,” such variable lease payments were recognized as expenses during the contract term.

The costs of premium for the three months ended March 31, 2025 and 2024 were calculated as the following:

	<u>January to March 2025</u>	<u>January to March 2024</u>
Revenue - tourist service center	\$ 2,458	\$ 2,418
Revenue - open counters	\$ 1,676	\$ 1,921
Royalty costs - tourist service center	\$ 1,229	\$ 1,209
Royalty costs - open counters	\$ 838	\$ 961

8. Yilan Luodong Business Area No. 70, 71, 73-75, 80, 82-85, and Nan’ao Business Area No. 27 and 28 were leased by Ruentex Materials, a third-tier subsidiary of the Company for mineral field use. As said leases expired on June 18, 2020. Ruentex Materials applied to the competent authorities for the renewal of the leases of the ancillary facilities of the mining land, and the process was completed in January 2023. In addition, according to the letter from the Yilan Branch of the Forestry and Conservation Administration, Ministry of Agriculture, in March 2024, the rent of the mining land was calculated based on the approved market value of forest land and included in the ecological damage compensation. Ruentex Materials re-assessed the said lease liability and recognized right-of-use assets of NT\$9,846 and lease liabilities of NT\$9,846. The above lease contracts expired on June 18, 2024. Ruentex Materials has applied to the competent authority for the lease renewal to June 18, 2028, and recognized right-of-use assets of NT\$21,454 and lease liabilities of NT\$21,454.
9. Please refer to Note 8 for the descriptions of the information of these collaterals provides with the right-of-use assets.
10. The Ruentex Engineering & Construction, a subsidiary of the Company, rented land from related parties. Please refer to Note 7(2) for related explanations.
11. The Company’s subsidiaries, Ruentex Xu-Zhan, Ruentex Bai-Yi, and Ruentex Construction had in January 2024 increased the right-of-use assets - land - rent by NT\$25, investment property - land - rent by NT\$73,635, and lease liabilities by NT\$73,660, respectively, according to the contracts signed January 1, 2024 with the Taiwan Railways Administration, Ministry of Transportation and Communications, and the Northern Region Branch, National Property Administration, and Ministry of Finance.
12. In February 2024, the Company’s subsidiary Ruentex Construction increased the right-of-use assets - building - rent by NT\$369, and lease liabilities of NT\$369 based on the 7th year building rent adjustment index of the contract.
13. In July 2024, the Company’s subsidiary, Ruentex Engineering & Construction, adjusted upwards the right-of-use assets - land and lease liabilities of \$65,093 according to the consumer price index.
14. On June 27, 2024, the Company's subsidiary, Ruentex Bai-Yi, signed the "Third Supplementary Agreement to the Private Construction and Operation Contract on the Songshan Station General Building and Multistorey Car Park" with Taiwan Railway, for which a royalty will be charged for the area where the aisle of the area delivered on the east side of the first floor of the shopping mall has been changed to open counters. The monthly rent will be \$2 per net ping for one year starting from April 1, 2024.

15. The subsidiary of the Company, Ruentex Xu-Zhan, has on October 18, 2024 signed and entered into an agreement with the Taiwan Railway for the "Construction and Operation Contract of the Taiwan Railway Nangang Station Building - 1st Supplementary Agreement" for the collection of operation premiums based on the size area of the temporary counters delivered on the first floor of the B2 building of the shopping mall. The calculation basis for the 2023 operation premiums is taken at 15% of the annual rent before tax that Ruentex Xu-Zhan charged the vendors of the temporary counters in 2024. Starting from 2024, payments for the operation premiums are made according to the annual adjustments.

(X) Lease transactions - lessor

1. The Group's underlying assets to be leased include the Songshan Station Building, Nangang Station Building, Songshan Baoqing Building "Ruentex Daikanyama," the parking lot in Neihsu shopping malls, Ruenfu Newlife, Nangang Yucheng Section Building and some of the Company's projects. The terms of the leases are between 2015 to 2043. The lease contracts are negotiated individually, with different terms and conditions. The rights cannot be transferred to others in the form of business transfer or merge, among other forms. Please refer to Note 6 (18) for the information related to Songshan Baoqing Building.
2. The Group has added leasing objects in 2024 and the lease period is from February 2024 to March 2034. A total of NT\$5,512,678 has been reclassified from inventories to investment real estate.
3. Due to the newly added leased property, the Group transferred the property, plant and equipment and right-of-use assets into investment property in July 2024 for NT\$1,607 and NT\$3,675, and recognized property revaluation surplus of NT\$21,145.
4. For the three months ended March 31, 2025 and 2024, the Group recognized rental income of NT\$443,371 and NT\$417,439, respectively, based on operating lease contracts; the aforementioned lease income, in addition to lease income specified in the contract, includes the long-term lease receivable, arising from the amortization of total lease amount using straight-line method over the lease period, recognized as income of the period, amounting to NT\$30,983 and NT\$27,735.
5. As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group's long-term lease receivable recognized as amortization for the total lease income using the straight-line method over the lease period is as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Long-term notes and accounts receivable	\$ 507,208	\$ 476,225	\$ 315,084
Less: Due within one year (listed as other accounts receivable)	(63,308)	(83,904)	(80,516)
	<u>\$ 443,900</u>	<u>\$ 392,321</u>	<u>\$ 234,568</u>

6. Analysis to the due dates of lease payments under operating leases received by the Group is as the following:

	<u>March 31, 2025</u>		<u>December 31, 2024</u>
April to December 2025	\$ 1,287,785	2025	\$ 1,670,978
2026	1,068,131	2026	1,058,731
2027	991,520	2027	981,520
2028	983,688	2028	973,688
2029	969,562	2029 and after	<u>4,948,447</u>
2030 and after	<u>4,048,163</u>		<u>\$ 9,633,364</u>
	<u>\$ 9,348,849</u>		

	<u>March 31, 2024</u>
April to December 2024	\$ 1,019,859
2025	1,530,031
2026	779,165
2027	752,671
2028	753,129
2029 and after	<u>4,509,220</u>
	<u>\$ 9,344,075</u>

(XI) Investment Real Estate

	<u>2025</u>					
	<u>Land</u>	<u>Land - rent</u>	<u>Land - premiums</u>	<u>Operation premiums</u>	<u>Buildings</u>	<u>Total</u>
January 1	\$8,090,906	\$6,090,268	\$1,307,470	\$7,234,505	\$22,886,122	\$45,609,271
Disposal	(159,800)	-	-	-	(171,619)	(331,419)
Fair value adjustment loss	-	(41,734)	(2,156)	(46,916)	(113,726)	(204,532)
Net exchange differences	-	-	-	-	1,237	1,237
March 31	<u>\$7,931,106</u>	<u>\$6,048,534</u>	<u>\$1,305,314</u>	<u>\$7,187,589</u>	<u>\$22,602,014</u>	<u>\$45,074,557</u>

	2024					
	Land	Land - rent	Land - premiums	Operation premiums	Buildings	Total
January 1	\$1,159,789	\$6,089,146	\$1,322,594	\$7,315,129	\$18,699,990	\$34,586,648
Reclassification (Note 1)	2,517,076	-	-	-	2,861,115	5,378,191
Lease modifications (Note 2)	-	73,635	-	-	-	73,635
Fair value adjustment gain (loss)	4,162,251	(123,778)	(6,335)	(145,027)	1,144,768	5,031,879
Net exchange differences	-	-	-	-	(882)	(882)
March 31	<u>\$7,839,116</u>	<u>\$6,039,003</u>	<u>\$1,316,259</u>	<u>\$7,170,102</u>	<u>\$22,704,991</u>	<u>\$45,069,471</u>

Note 1: NT\$5,378,191 reclassified from inventories. Please refer to Note 6(3)4 for description.

Note 2: Please refer to the descriptions in Note 6(9)11.

1. Rent income from the lease of the investment property and direct operating expenses:

	January to March 2025	January to March 2024
Rental income from investment real estate	<u>\$ 443,371</u>	<u>\$ 417,439</u>
Direct operating expenses incurred by investment real estate with the rental income for current period.	<u>\$ 79,651</u>	<u>\$ 70,819</u>

2. Basis of Investment Property Fair Value

The fair value of the investment property held by the Group on March 31, 2025, December 31, 2024, and March 31, 2024 at Level 3 fair value based on the valuation results by an independent appraiser. The main assumptions adopted for the discounted cash flow analysis method used in the valuation and relevant details are as follows:

- (1) The appraisal reports and real estate price opinion on the parking spaces of Ruentex Spectacular Life, Banqiao New Land, Ruen Fu Newlife (New Aspects), Ruentex Dajia, Ruentex Tulip, Ruentex Building, and Ruentex Daiguanshan as of March 31, 2025, December 31, 2024, and March 31, 2024 were issued by Jian, Wu-Chi, appraiser at the Jhong-Ding Real Estate Appraisers Firm. The appraisal reports on the Nangang Station building and the Songshan Station building as of March 31, 2025, December 31, 2024, and March 31, 2024 were issued by Lai, Chin-Wei, appraiser at the G-Beam Real Estate Appraisers Firm. The appraisal report and real estate price opinion on March 31, 2025, December 31, 2024 and March 31, 2024 in Yucheng Section, Nangang were issued by Mr. Chang, Hung-Kai and Mr. Wu, Cheng-Ye, appraisers of Savills (Taiwan) Limited.
- (2) The discounted cash flow analysis method using the income approach is used, which compares the rental income of the subject property with that of comparable properties in nearby markets or estimates of target income, taking into account the

characteristics of the subject property, the intended use, rental income of neighboring or similar properties, vacancy losses, and annual rental growth rates. After adjustments are made based on the comparison, the income approach trial rental income of the subject property is calculated, and the discounted cash flow analysis method is used to determine the value of the subject property by discounting the future net income of the subject property and its terminal value over the analysis period using an appropriate discount rate. The valuation process complies with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers,” and the analysis, judgment, and conclusions reached can be supported. Related information as below:

	March 31, 2025		
	Residences	Offices and stores	Parking space
	(NT\$/ping/monthly)	(NT\$/ping/monthly)	(NT\$/space/monthly)
Estimated rent of the project	\$309~\$1,070	\$1,200~\$4,600	\$1,290~\$5,500
Local rents, or the rental trends of similar property in the market	Equivalent to estimated rent	Equivalent to estimated rent	Equivalent to estimated rent
Occupancy rate		91.67%~97.22%	
Rental growth rate		0%~2%	
	December 31, 2024		
	Residences	Offices and stores	Parking space
	(NT\$/ping/monthly)	(NT\$/ping/monthly)	(NT\$/space/monthly)
Estimated rent of the project	\$309~\$1,070	\$1,200~\$4,600	\$1,290~\$5,500
Local rents, or the rental trends of similar property in the market	Equivalent to estimated rent	Equivalent to estimated rent	Equivalent to estimated rent
Occupancy rate		91.67%~97.22%	
Rental growth rate		0%~2%	
	March 31, 2024		
	Residences	Offices and stores	Parking space
	(NT\$/ping/monthly)	(NT\$/ping/monthly)	(NT\$/space/monthly)
Estimated rent of the project	\$309~\$1,040	\$1,160~\$4,600	\$1,290~\$5,500
Local rents, or the rental trends of similar property in the market	Equivalent to estimated rent	Equivalent to estimated rent	Equivalent to estimated rent
Occupancy rate		91.67%~97.22%	
Rental growth rate		0%~2%	

- (3) Future cash outflows included relevant rents, royalties, operations royalties, property management expenses, utilities, promotion costs, other necessary expenses directly related to leasing, necessary operating expenses related to operations (such as repair fees), taxes, insurance premiums, and capital expenditures; the percentages of movements used to indicate the future movements are consistent with the rental growth rates used in imputing rental income.
- (4) Ranges of discount rates refers to a benchmark that cannot be lower than the mobile interest rate plus three yards of the 2-year postal savings fixed deposit announced by Chunghwa Post Co., Ltd. The risk premium is determined based on factors such as bank deposit rates, government bond rates, currency fluctuations in real estate investment, and trends in real estate prices. The most general investment return rate is selected as the benchmark, and the differences between the individual characteristics of the investment goods and the appraised target are observed and compared, taking into account factors such as liquidity, risk, appreciation potential, and ease of management.

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Discount rate	2.67%~5.70%	2.67%~5.70%	2.55%~5.70%

- (5) The income approach is adopted for the Group's investment property valuation. The cash flow, analysis period, and discount rate in the valuation method are in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- (6) The valuation amount and fair value of the assets transferred from the right-of-use assets to the investment properties are adjusted as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Valuated amount	\$ 24,338,362	\$ 24,498,362	\$ 24,249,612
Add: Lease liabilities	<u>8,070,646</u>	<u>8,115,986</u>	<u>8,130,109</u>
Fair value	<u>\$ 32,409,008</u>	<u>\$ 32,614,348</u>	<u>\$ 32,379,721</u>

3. Please refer to Note 12(3) for the details of fair value of investment property.
4. Details of the Group's investments property pledged to others as collateral are provided in Note 8.

(XII) Intangible Assets

2025						
	Mineral source	Trademark, patent and franchise	Computer software	Good will	Others	Total
January 1						
- Cost	\$ 234,076	\$ 74,991	\$ 92,093	\$ 2,553	\$ 94,721	\$ 498,434
- Accumulated amortization	(60,416)	(43,952)	(83,714)	-	(32,487)	(220,569)
- Accumulated impairment	(61,972)	-	-	-	(11,240)	(73,212)
	<u>\$ 111,688</u>	<u>\$ 31,039</u>	<u>\$ 8,379</u>	<u>\$ 2,553</u>	<u>\$ 50,994</u>	<u>\$ 204,653</u>
January 1	\$ 111,688	\$ 31,039	\$ 8,379	\$ 2,553	\$ 50,994	\$ 204,653
Addition	-	714	-	-	-	714
Cost of derecognition	-	-	(2,942)	-	-	(2,942)
Balance of accumulated amortization on the derecognition date	-	-	2,942	-	-	2,942
Amortization	-	(575)	(1,165)	-	-	(1,740)
March 31	<u>\$ 111,688</u>	<u>\$ 31,178</u>	<u>\$ 7,214</u>	<u>\$ 2,553</u>	<u>\$ 50,994</u>	<u>\$ 203,627</u>
March 31						
- Cost	\$ 234,076	\$ 75,705	\$ 89,151	\$ 2,553	\$ 94,721	\$ 496,206
- Accumulated amortization	(60,416)	(44,527)	(81,937)	-	(32,487)	(219,367)
- Accumulated impairment	(61,972)	-	-	-	(11,240)	(73,212)
	<u>\$ 111,688</u>	<u>\$ 31,178</u>	<u>\$ 7,214</u>	<u>\$ 2,553</u>	<u>\$ 50,994</u>	<u>\$ 203,627</u>
2024						
	Mineral source	Trademark, patent and franchise	Computer software	Good will	Others	Total
January 1						
- Cost	\$ 234,076	\$ 71,558	\$ 92,507	\$ 2,553	\$ 94,053	\$ 494,747
- Accumulated amortization	(60,416)	(41,627)	(86,667)	-	(27,358)	(216,068)
- Accumulated impairment	(61,972)	-	-	-	(11,240)	(73,212)
	<u>\$ 111,688</u>	<u>\$ 29,931</u>	<u>\$ 5,840</u>	<u>\$ 2,553</u>	<u>\$ 55,455</u>	<u>\$ 205,467</u>
January 1	\$ 111,688	\$ 29,931	\$ 5,840	\$ 2,553	\$ 55,455	\$ 205,467
Addition	-	338	576	-	668	1,582
Cost of derecognition	-	-	(5,470)	-	-	(5,470)
Balance of accumulated amortization on the derecognition date	-	-	5,470	-	-	5,470
Amortization	-	(548)	(862)	-	(1,710)	(3,120)
March 31	<u>\$ 111,688</u>	<u>\$ 29,721</u>	<u>\$ 5,554</u>	<u>\$ 2,553</u>	<u>\$ 54,413</u>	<u>\$ 203,929</u>
March 31						
- Cost	\$ 234,076	\$ 71,896	\$ 87,613	\$ 2,553	\$ 94,721	\$ 490,859
- Accumulated amortization	(60,416)	(42,175)	(82,059)	-	(29,068)	(213,718)
- Accumulated impairment	(61,972)	-	-	-	(11,240)	(73,212)
	<u>\$ 111,688</u>	<u>\$ 29,721</u>	<u>\$ 5,554</u>	<u>\$ 2,553</u>	<u>\$ 54,413</u>	<u>\$ 203,929</u>

1. The Group's sub-subsidiary, Ruentex Materials, owns the mine operation rights at Yilan Lankan Mine (Tai-Ji-Chai-Zi No. 5569 mine operation right) and Hualien Huahsin Mine (Tai-Ji-Chai-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." Ruentex Materials 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, referenced Yuan-Tai-Su 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 by Ruentex Materials after evaluation.

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 Yilan Lankan Stone Mine expansion case was filed with The High Administrative Court on September 9, 2021, but the administrative lawsuit was dismissed on February 29, 2024 by the Taipei High Administrative Court judgment year 2021 Su-Zi No. 1062. The Ruentex Materials has already make a provision for impairment loss. Hence, there is no material impact on the Ruentex Materials' finance or business of the judgment results, and an appeal has been filed to the Supreme Administrative Court in March 2024, and the litigation is ongoing.

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, Ruentex Materials took the initiative to withdraw the application and will file another application after re-planning. As of May 14, 2025, the relevant planning is still in progress and the application procedure has not yet been completed.

2. The Group did not pledge intangible assets to others as collateral.
3. Details of amortization of intangible assets are as follows:

	<u>January to March 2025</u>	<u>January to March 2024</u>
Operation cost	\$ 708	\$ 2,113
General & administrative expenses	<u>1,032</u>	<u>1,007</u>
	<u>\$ 1,740</u>	<u>\$ 3,120</u>

(XIII) Other non-current Assets

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Restricted bank deposits	\$ 194,564	\$ 220,543	\$ 219,821
Guarantee deposits paid	82,678	82,961	82,605
Others	76,635	21,382	35,887
	<u>\$ 353,877</u>	<u>\$ 324,886</u>	<u>\$ 338,313</u>

Details of the Group's other non-current assets pledged to others as collateral are provided in Note 8.

(XIV) Short-term borrowings

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Secured bank loan	\$ 408,000	\$ 554,000	\$ 365,000
Credit bank loan	7,430,000	7,202,000	6,549,000
	<u>\$ 7,838,000</u>	<u>\$ 7,756,000</u>	<u>\$ 6,914,000</u>
Interest rate collars	1.78%~2.25%	1.78%~2.33%	1.65%~2.03%

In addition to the pledged assets for short-term borrowings provided in Note 8, the Group also issued guarantee notes as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Guarantee notes	<u>\$ 18,795,000</u>	<u>\$ 18,410,000</u>	<u>\$ 17,010,000</u>

(XV) Short-term bills payable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Commercial papers payable	\$ 5,656,000	\$ 4,340,000	\$ 5,720,000
Less: Unamortized discount (	3,250)	2,294)	1,680)
	<u>\$ 5,652,750</u>	<u>\$ 4,337,706</u>	<u>\$ 5,718,320</u>
Interest rate collars	1.47%~2.02%	1.47%~1.89%	1.34%~1.83%

In addition to the pledged assets for short-term notes payable provided in Note 8, the Group also issued guarantee notes as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Guarantee notes	<u>\$ 9,719,000</u>	<u>\$ 9,833,000</u>	<u>\$ 9,423,000</u>

(XVI) Long-term borrowings

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Secured bank loan	\$ 25,130,000	\$ 25,708,750	\$ 17,727,000
Credit bank loan	<u>11,604,144</u>	<u>11,967,144</u>	<u>14,157,288</u>
	36,734,144	37,675,894	31,884,288
Less: Arrangement fees for leading banks of syndicated loan	<u>(15,865)</u>	<u>(16,635)</u>	<u>(18,760)</u>
	36,718,279	37,659,259	31,865,528
Face value of long term commercial paper	2,300,000	2,300,000	3,000,000
Less: Unamortized discount	<u>(2,034)</u>	<u>(1,419)</u>	<u>(3,303)</u>
Deferred expenses - transaction costs	<u>(1,585)</u>	<u>(1,691)</u>	<u>(2,008)</u>
	39,014,660	39,956,149	34,860,217
Less: Long-term borrowings due within one year or one operating cycle	<u>(1,954,144)</u>	<u>(1,200,894)</u>	<u>(9,454,197)</u>
	<u>\$ 37,060,516</u>	<u>\$ 38,755,255</u>	<u>\$ 25,406,020</u>
Interest rate collars	1.65%~2.58%	1.67%~2.58%	1.67%~2.69%

1. In July 2010, the company signed a syndicated loan agreement with Land Bank of Taiwan and other banks for its construction financing. The loan lasted from July 2014 to July 2026 and was worth NT\$4,600,000. As of March 31, 2025, the Company had not yet drawn down the credit amount. The main commitments of the Company are as follows:
 - (1) The Company shall use the loan amount obtained under this agreement in the purpose of credit extension for payment specified in this agreement, and shall prepare accounting books and records as well as certificates for recordation.
 - (2) The Company shall provide the consolidated financial report audited by independent director as well as audited consolidated and unconsolidated financial reports within 60 days and 120 days after the first half and the end of each fiscal year respectively.
 - (3) Before obtaining the prior consents of all members of the syndicated loan banks, the Company shall not merger with others or demerger the Company according to the Company Act. However, where the Company is a survival company (after merger) and the merger result has no adverse impacts on its ability to perform obligations under this agreement, then such restriction shall not be applied.
2. The Company signed a long-term borrowing contract with Mega International Commercial Bank in July 2024 for its operating funds. The loan period is from June 2024 to May 2026, and the credit line is NT\$7,500,000. As of March 31, 2025, the facility drawn was NT\$3,160,000.
3. The Company signed a long-term borrowing contract with Bank of Taiwan in September 2024 for its operating funds, and the loan period is from September 2024 to September 2027 with a credit line of NT\$5,000,000. As of March 31, 2025, the facility drawn was NT\$5,000,000.

4. The Company signed a long-term borrowing contract with Bank of Taiwan in September 2024 for its operating funds, and the loan period is from September 2024 to September 2026 with a credit line of NT\$2,000,000. As of March 31, 2025, the facility drawn was NT\$1,200,000.
5. The Company signed a syndicated loan agreement with Bank of Taiwan and other banks in March 2023 for the Company's construction financing. The term of the loan was from March 2023 to March 2031, the total loan amount was NT\$21,000,000. Up to the date of March 31, 2025, the Company has not yet drawn down the credit amount. The main commitments of the Company are as follows:
 - (1) The Company should provide the audited financial statements within 150 days after the end of each fiscal year.
 - (2) The Company should provide the reviewed financial statements within 45 days after the end of each fiscal quarter.
6. The Company signed a long-term loan agreement with Taishin Bank in April 2023 to provide the financing for the construction of the Company. The term of the loan was from April 2023 to April 2026, the total loan amount was NT\$1,000,000. Up to the date of March 31, 2025, the Company has not yet drawn down the credit amount.
7. The Company signed a long-term loan agreement with Chang Hwa Commercial Bank in March 2024 to provide the financing for the construction of the Company. The term of the loan was from March 2025 to March 2030, the loan amount was NT\$2,670,000. Up to the date of March 31, 2025, the Company has drawn NT\$267,000.
8. Ruentex Innovative Development and financial institutions, including KGI Bank, entered into a syndicated loan contract in June 2021 for the fund needed to purchase land and build residential and commercial buildings on the land. The loan period is from July 2021 to July 2026 with a credit line of NT\$6,200,000. The aforesaid credit line has been repaid in full amount in December 2024.

The major agreed matters made by Ruentex Development are provided below:

- (1) Ruentex Development and its joint guarantor (the Company) should provide the audited financial statements within 150 days after the end of each fiscal year.
 - (2) Without the written consent from the majority of the lending financial institutions, Ruentex Development shall not merge with another entity nor be demerged in accordance with the relevant laws and regulations. However, where it is a survival company (after merger) and the merger result has no adverse impacts on its ability to perform obligations under this agreement, then such restriction shall not apply.
 - (3) Without the prior written consent of the majority of the lending financial institutions, no major changes may be made to the scope or nature of business or shareholder structure. However, the change in equity as required by competent authorities and relevant laws and regulations is not subject to this provision.
 - (4) The funds drawn from this loan project shall be used to pay for the expenses specified in the purpose as agreed in the contract of this loan, and an accounting book shall be set up and the accounting records and receipts shall be kept to ensure accurate and complete details of this loan case.
9. Ruentex Innovative Development signed a long-term loan agreement with Mega International Commercial Bank in September 2024 to increase the liquidity. The term of the loan was a total of seven years from the first drawdown date, the total loan amount was NT\$8,000,000. Up to the date of March 31, 2025, the Company has drawn the credit amount of NT\$6,200,000.

10. Ruentex Xu-Zhan has entered a long-term loan agreement with Bank of Taiwan in December 2018, to repay the outstanding balance of the syndicated borrowing related to the construction of Nangang Railway Station Building for total credit limit of NT\$3,822,000. The Class A and Class B of the loan period is from March 2019 to March 2029, and Class C is from December 2024 to December 2026 after the signing of the renewed contract. As of March 31, 2025, the Class A facility drawn was NT\$1,250,000; Class B for NT\$100,000 performance bond certificate, and borrowing from Class C for NT\$300,000.
11. Ruentex Bai-Yi signed a credit facility contract with the Land Bank of Taiwan in January 2012 for the direct or indirect costs and expenses needed for the construction of Songshan Railway Station Building. The loan period is 12 years starting from the first drawdown date. After 5 years from the first drawdown date, an installment should be paid semi-annually, totaling 15 installments. The total credit line is NT\$3,600,000. Extension of the contract was signed in December 2024 and the loan period of the extended contract is February 2025 to February 2032. As of March 31, 2025, Class E facility drawn was \$670,000 and Class D drawn for performance bond was \$53,780. The major agreed matters made by Citylink Songshan are provided below:
 - (1) Within the duration of the facility contract, without the bank's advance written consent, the collateral for the contact cannot be pledged to a third party.
 - (2) Starting from the fifth year after the first draw down date and within duration of the contract, the it should maintain the financial ratio set out below:
 - a. Current ratio: should be maintained at 100%, however, starting from the effective date of the fourth supplement contract (May 29, 2018), the current ratio requirement was waived.
 - b. Times of interest earned: should be above 2 times (inclusive).

The above financial ratios and restrictions are calculated based on the borrowers' audited non-consolidated financial statements of the year as approved by the credit management bank. If the borrower does not meet any of the financial ratios above, it does not constitute a default event; However, monthly compensations, calculated using 0.1% annual interest rate multiplying the outstanding principal, should be paid from May 1 of the year to the end of month when the financial ratios or restrictions are met; for days less than one month, one month payment should be made; the compensation should be paid to the credit management bank on the first business day of the following month. Assessment of improvement of financial ratio above should be based on the audited or reviewed non-consolidated financial statements.
 - (3) Collateral:
 - a. The associated superficies right obtained in accordance with the construction and operation contract and relevant contracts should be pledged to the collateral management bank with a mortgage amount of 1.2 times of total credit facility and a maximum amount of first-priority mortgage right as collateral for the loan. The pledge period cannot exceed the permitted period.
 - b. Once permitted by laws, the associated buildings and facilities should be included as collateral within three months after completion. The mortgage amount should be set at 1.2 times of the total credit line and pledged to the collateral management bank with a maximum amount of first-priority mortgage right, and the pledge period cannot exceed the permitted period.
12. Ruentex Construction signed a long-term borrowing contract with Taishin International Bank in July 2017 to finance Ruentex Construction's construction project, and the loan

period is from July 2017 to July 2024 with a credit line of NT\$1,200,000. The aforesaid loan has matured in July 2024. Ruentex Construction renewed a long-term borrowing contract with Taishin Bank in July 2024 for Ruentex Construction's required working capital, and the loan period is from July 2024 to July 2027 with a credit line of NT\$1,088,000. As of March 31, 2025, the facility drawn was NT\$800,000.

The major provisions of the original loan contract to finance the construction project of Ruentex Construction are as follows:

- (1) Starting from 2018 and within duration of the contract, the it should maintain the financial ratio set out below:

- a. debt to equity ratio: should not exceed 200%.
- b. Times of interest earned: should be above 1.5 times (inclusive).

The above financial ratios and restrictions are calculated based on the borrowers' audited non-consolidated financial statements of the year as approved by the credit management bank.

- (2) Collateral:

- a. The associated superficies right obtained in accordance with the construction and operation contract and relevant contracts should be pledged to the collateral management bank with a mortgage amount of 1.2 times of total credit facility and a maximum amount of first-priority mortgage right as collateral for the loan. The pledge period cannot exceed the permitted period.
- b. Once permitted by laws, the associated buildings and facilities should be included as collateral within three months after completion. The mortgage amount should be set at 1.2 times of the total credit line and pledged to the collateral management bank with a maximum amount of first-priority mortgage right, and the pledge period cannot exceed the permitted period.

13. Ruentex Materials entered into a credit facility agreement with E.SUN Bank in November 2024 to support the Ruentex Materials's working capital and investment needs. Facility 1 is a medium-term loan with a credit period from November 2024 to October 2026. Facility 2 is a short-term loan with a credit period from November 2024 to October 2025. Facility 1 and Facility 2 share a combined credit limit of NT\$400,000. Facility 3 is a medium-term loan with a credit period from November 2024 to October 2027 and a credit limit of NT\$780,000. The collateral for this facility is the Ruentex Materials' equity-method investment in shares, and the share pledge must be completed within three months after the initial drawdown. The share pledge was completed in January 2025. As of March 31, 2025, borrowings under the medium-term loan facilities amounted to NT\$980,000. The main covenants are as follows:

- (1) During the term of the credit facility, the following financial ratios must be maintained and reviewed semi-annually. If the requirements are not met, the interest rate shall be increased by 25 basis points:

- a. The current ratio shall not be less than 60%.
- b. The debt ratio shall not exceed 400%.

The above financial ratios are calculated based on the consolidated financial statements audited or reviewed by the certified public accountant.

14. Except for the above, the rest of the borrowing period of the Group is from December 2020 to January 2034.

15. In addition to the pledged assets for long-term borrowings provided in Note 8, the Group also issued guarantee notes as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Guarantee notes	<u>\$ 87,377,000</u>	<u>\$ 87,377,000</u>	<u>\$ 83,399,000</u>

16. The Group's undrawn long-term facilities are listed below:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Due within one year	\$ 2,933,471	\$ 2,025,835	\$ 4,050,000
Due longer than one year	<u>46,136,539</u>	<u>46,403,521</u>	<u>44,082,483</u>
	<u>\$ 49,070,010</u>	<u>\$ 48,429,356</u>	<u>\$ 48,132,483</u>

(XVII) Provisions

	<u>2025</u>			<u>2024</u>
	<u>Warranty provision</u>	<u>Carbon fee</u>	<u>Total</u>	<u>Warranty provision</u>
January 1	\$ 165,932	\$ -	\$ 165,932	\$ 145,803
Provisions newly recognized for the current period	6,614	35,340	41,954	2,821
Provisions utilized during the current period	(1,125)	-	(1,125)	(2,531)
March 31	<u>\$ 171,421</u>	<u>\$ 35,340</u>	<u>\$ 206,761</u>	<u>\$ 146,093</u>

An analysis of provisions is as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current	\$ 39,230	\$ 3,944	\$ 3,005
Non-current	<u>167,531</u>	<u>161,988</u>	<u>143,088</u>
	<u>\$ 206,761</u>	<u>\$ 165,932</u>	<u>\$ 146,093</u>

1. Warranty provision

The Group's provision for warranty mainly arises from construction and interior decoration projects and is estimated based on the contract amount of each project.

2. Carbon fee

The provision for carbon fee is recognized based on the general carbon fee rate of NT\$300 per metric ton. As of May 14, 2025, the sub-subsidiary of the Company, Ruentex Materials Co., Ltd., has submitted its voluntary reduction plan, which has not yet been approved by the competent authority. If the plan is approved and Ruentex Materials is designated as operating in a high carbon leakage risk industry, the provision for carbon fee liabilities will be adjusted using the preferential rate and multiplied by the applicable emission adjustment factor.

(XVIII) Other non-current liabilities - other

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Guarantee deposits received	\$ 1,638,054	\$ 1,628,486	\$ 1,529,781
Accrued pension liabilities	97,319	97,448	142,331
Other non-Current liabilities	248,067	251,111	262,758
Warranty provision	167,531	161,988	143,088
	<u>\$ 2,150,971</u>	<u>\$ 2,139,033</u>	<u>\$ 2,077,958</u>

1. As of March 31, 2025, December 31, 2024, and March 31, 2024, the major part of the deposited bonds are the deposits paid by the tenants of the Company's subsidiary, Ruen Fu, for NT\$1,084,422, NT\$1,172,904, and NT\$1,080,042, respectively; others are the deposits for warranty, office leasing and proprietary booths deposits.
2. In 2018, the Company's subsidiary, Ruentex Construction, introduced the superficies right-based house lease - Ruentex Daikanyama with a lease period of 25 years, and the lease is stated as advance lease receipt that is amortized and recognized as income monthly using the straight-line method during the lease period. In addition, as of March 31, 2025, December 31, 2024, and March 31, 2024, the advance rent receipts due within one year amounted to NT\$18,571, which was recognized in advance receipts.
3. Please refer to the description of Note VI(17) and (25) on warranty provision.

(XIX) Pensions

1. (1) In accordance with the Labor Standards Act, the Company and the domestic subsidiaries have established a defined benefit plan. This plan applies to the years of service rendered by all formal employees prior to the implementation of the Labor Pension Act on July 1, 2005, and to the subsequent service years of employees who elected to continue under the Labor Standards Act after its implementation. It also applies to all employed foreign mid-level skilled workers. 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 contribute 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. Also, the Group would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions to cover the deficit by next March.
 - (2) For the three months ended March 31, 2025 and 2024, pension expenses were NT\$1,180 and NT\$1,264, respectively.
 - (3) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025 amount to NT\$5,717.
2. (1) Effective on July 1, 2005, the Company and its domestic subsidiaries have established a defined pension plan under the Labor Pension Act covering all regular employees with R.O.C. nationality. Under the defined contribution pension plan in compliance with the Labor Pension Act, the Company and its domestic subsidiaries contribute

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) For the three months ended March 31, 2025 and 2024, pension expenses were NT\$26,469 and NT\$23,934, respectively.

(XX) Share-based payment

1. As of December 31, 2024, the share-based payment agreement of third-tier subsidiary Ruentex Interior Design is as follows:

<u>Type of agreement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Shares retained from cash capital increase for employee subscription	May 7, 2024	225,000	NA	Immediate vesting

In the above-mentioned share-based payment agreement, the settlement is based on equity.

2. Details of the above share-based payment agreement are as follows:

	<u>2024</u>	
	<u>Number of stock options (shares)</u>	<u>Strike price (NT\$)</u>
Outstanding stock options on January 1	-	\$ -
Stock options granted in this period	225,000	165
Stock options exercised in this period	(225,000)	165
Outstanding stock options on December 31	-	-

3. For Ruentex Design's share-based payment transaction on the grant date, the Black-Scholes model was adopted to estimate the fair value of the stock options. The relevant information is as follows:

<u>Type of agreement</u>	<u>Grant date</u>	<u>Fair value per share of options (NTD)</u>	<u>Expected price volatility</u>	<u>Expected duration (years)</u>	<u>Expected dividend rate</u>	<u>Strike price (NTD)</u>	<u>Risk-free rate</u>	<u>Fair value per share (NTD)</u>
Shares retained from cash capital increase for employee subscription	May 7, 2024	\$ 171.73	34.43%	0.02	0.00%	\$165	1.22%	\$ 7.7106

(XXI) Capital

1. As of March 31, 2025, the Company's authorized capital was NT\$50,000,000, and the paid-in capital was NT\$28,442,251 (including share capital of convertible corporate bonds of NT\$346,085) with a par value of NT\$10 per share, all issued as ordinary shares. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding (in thousand shares) are as follows:

	<u>2025</u>	<u>2024</u>
January 1 (i.e. March 31)	<u><u>2,844,225</u></u>	<u><u>2,844,225</u></u>

2. The treasury shares Ruentex Engineering & Construction accounted for by the Company refer to the subsidiary of the Company - Ruentex Engineering & Construction holding shares of the Company for the purpose of protecting the interests of the shareholders and the treasury shares for the associate of the Company - Ruentex Industries. As of March 31, 2025, December 31, 2024, and March 31, 2024, sub-subsidiary Ruentex Engineering & Construction held 9,714 thousand shares, 9,714 thousand shares and 9,714 thousand shares, respectively. The information on their respective amounts is as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Ruentex Engineering & Construction	\$ 16,794	\$ 16,794	\$ 16,794
Amount accounted for using equity method	<u>64,655</u>	<u>64,655</u>	<u>64,655</u>
	<u><u>\$ 81,449</u></u>	<u><u>\$ 81,449</u></u>	<u><u>\$ 81,449</u></u>

(XXII) 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.
- In accordance with Jin-Shang-Zi No.10202420460 of the Ministry of Economic Affairs on July 15, 2013, upon the adoption of IFRSs, if the change in parent's ownership in a subsidiary does not result in the loss of control, the capital surplus arising from the excess of share price over book value can be deemed as the income derived from the issuance of new shares at a premium as specified in Paragraph 1, Article 241 of the Company Act. In addition, according to Jing-Shang-Zi No. 10300532520 of MOEA dated March 31, 2014, for the capital surplus actually acquired as recorded or the difference between the disposal of subsidiary's equity and carrying value, Article 241 of the Company Act may be applicable in order to use it for issuance of new shares or cash.

3. Change of capital surplus is as follows:

2025							
	Issued at premium	Treasury share transactions	Dividends not claimed by shareholders in the given period of time	Changes in the associates' net value of equity	Actual acquisition or disposal of subsidiaries Difference between price and carrying value of shareholdings	Changes in the ownership interests of subsidiaries as recognized	Total
January 1	\$ 17,283,659	\$ 136,626	\$ 14,721	\$ 166,677	\$ 5,209	\$ 211,068	\$ 17,817,960
Others	-	-	(118)	(28)	-	-	(146)
Income tax effect	-	-	-	1	-	-	1
March 31	<u>\$ 17,283,659</u>	<u>\$ 136,626</u>	<u>\$ 14,603</u>	<u>\$ 166,650</u>	<u>\$ 5,209</u>	<u>\$ 211,068</u>	<u>\$ 17,817,815</u>
2024							
	Issued at premium	Treasury share transactions	Dividends not claimed by shareholders in the given period of time	Changes in the associates' net value of equity	Difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Total
January 1	\$ 17,283,659	\$ 136,626	\$ 13,604	\$ 122,086	\$ 5,209	\$ 169,080	\$ 17,730,264
Others	-	-	(2)	(37)	-	-	(39)
Income tax effect	-	-	-	2	-	-	2
March 31	<u>\$ 17,283,659</u>	<u>\$ 136,626</u>	<u>\$ 13,602</u>	<u>\$ 122,051</u>	<u>\$ 5,209</u>	<u>\$ 169,080</u>	<u>\$ 17,730,227</u>

(XXIII) Retained earnings

1. As per the Articles of Incorporation, if after the annual closing of books, there is a profit, the Company shall, after having provided for income taxes and offset the accumulated losses of previous years, retain the 10% legal reserve; Where such legal reserve amounts to the total paid-in capital of the Company, this provision shall not apply. If the balance (distributable profits for the current year), together with the undistributed earnings at the beginning of the same period and retained or reversed special reserves prescribed by laws and regulations, are available for distribution, the Board shall present a proposal on dividends, or retention at a shareholders' meeting for resolution. The Company's dividend distribution policy is based on the Company Law and its articles of incorporation. The Board of Directors proposes an annual distribution plan to the shareholder meeting, taking into account factors such as finance, business, management, and capital budgeting, as well as balancing shareholder interests and the company's long-term financial planning. However, shareholder dividends must be no less than 20% of the net profit after tax for the year, excluding the share of profit or loss of associates and joint ventures accounted for using the equity method, after the legally required statutory reserve and various special reserves have been appropriated. The cash dividend ratio must be no less than 20% of the total dividend distribution for the year.
2. 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.

3. (1) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (2) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi No. 1010012865 Letter dated April 6, 2012, shall be reversed proportionately when the relevant Assets are used, disposed of or reclassified subsequently.
4. The 2024 and 2023 profit distribution proposals of the Company were approved by the Board of Directors on March 12, 2025 and by resolution of the shareholders' meeting on May 29, 2024 as follows:

	2024		2023	
	Amount	Dividend per share (NTD)	Amount	Dividend per share (NTD)
Legal reserve	\$ 1,659,820		\$ 762,320	
Provision of special reserve (Note)	28,920,031		-	
Reversal of special reserve (Note)	-		(11,387,110)	
Cash dividends	-	\$	- 4,266,338	\$ 1.50
Total	<u>\$ 30,579,851</u>		<u>(\$ 6,358,452)</u>	

According to the approval of the proposal made by the Board of Directors on March 12, 2025, the Company distributed cash at NT\$1.1 per share with the legal reserve, for a total amount of NT\$3,128,648.

- Note: (1) As per Jin-Guan-Zheng-Fa No. 10901500221, regarding the 2024 and 2023 investment property that the Company continues to adopt the fair value model for measurement, the net increase (decrease) in the fair value during the period and the net increase (decrease) in the fair value of the investees' investment property in the investment income recognized in proportion to the shareholding using the equity method during the year, the Company appropriated NT\$3,226,031 and reversed (\$319,855).
- (2) According to the Order Jin-Guan-Zheng-Fa-Zi No. 1090150022, the Company appropriated NT\$5,545,562 and reversed (NT\$11,067,255) for the net deduction of other equity recognized in 2024 and 2023, respectively.
- (3) As mentioned in Note 6(7)20.(3), as per Jin-Guan-Zheng-Fa No. 1110384722 and the Questions and Answers Regarding Public Companies' Applicability of the Provision of Special Reserves for Changes in the Fair Values of Financial Assets Reclassified by Insurance Investees, when the cumulative amount of changes in the fair values of the financial assets reclassified by an insurance investee in proportion to the shareholding using the equity method, the amount of the special reserve that should be available for the period (that is, the balance of the special reserve after provision and reversal) shall not exceed the carrying amount of the public company's investment in the insurance investee using the equity method for the period. The Company provided a special reserve from the 2024 and 2023 distributable earnings in accordance with the above regulations (1) and (2) and also provided NT\$20,148,438 and NT\$0, respectively, in accordance with the above-mentioned regulations.

(4) The above-mentioned earnings distribution proposal for 2024 has not yet been resolved by the shareholders' meeting.

5. Change of undistributed earnings is as follows:

	<u>2025</u>
Three Months Ended	\$ 30,579,851
Net income of current period	3,379,693
Disposal of equity instruments at fair value through other comprehensive income by affiliates	<u>24</u>
March 31, 2025	<u>\$ 33,959,568</u>
	<u>2024</u>
January 1, 2024	\$ 7,623,193
Net income of current period	<u>6,729,243</u>
March 31, 2024	<u>\$ 14,352,436</u>

(XXIV) Other equity items

	<u>2025</u>					
	Unrealized valuation profit or loss	Foreign currency translation	Hedging reserve	Reclassification by the overlay approach	Property revaluation surplus	Total
January 1	(\$ 13,668,388)	(\$ 233,953)	\$ 6	(\$ 17,755,448)	\$ 63,669	(\$ 31,594,114)
Unrealized valuation profit or loss of financial assets:						
- Group	(389,668)	-	-	-	-	(389,668)
- Tax related to the group	23,961	-	-	-	-	23,961
- Associate (Note)	651,668	-	-	-	-	651,668
- Tax related to the associates	33,859	-	-	-	-	33,859
- Changes in disposal of associates (Note)	(24)	-	-	-	-	(24)
Foreign currency translation differences:						
- Group	-	35,235	-	-	-	35,235
- Tax related to the group	-	(7,047)	-	-	-	(7,047)
- Associate	-	21,663	-	-	-	21,663
- Tax related to the associates	-	(1,152)	-	-	-	(1,152)
Reclassification by the overlay approach:						
- Associate (Note)	-	-	-	(7,905,169)	-	(7,905,169)
- Tax related to the associates	-	-	-	59,062	-	59,062
March 31	<u>(\$ 13,348,592)</u>	<u>(\$ 185,254)</u>	<u>\$ 6</u>	<u>(\$ 25,601,555)</u>	<u>\$ 63,669</u>	<u>(\$ 39,071,726)</u>

	2024					
	Unrealized valuation profit or loss	Foreign currency translation	Hedging reserve	Reclassification by the overlay approach	Property revaluation surplus	Total
January 1	(\$ 11,398,110)	(\$ 396,096)	\$ 6	(\$ 14,294,948)	\$ 40,596	(\$ 26,048,552)
Unrealized valuation profit or loss of financial assets:						
- Group	(63,566)	-	-	-	-	(63,566)
- Tax related to the group	4,042	-	-	-	-	4,042
- Associate (Note)	(689,811)	-	-	-	-	(689,811)
- Tax related to the associates	(965)	-	-	-	-	(965)
Foreign currency translation differences:						
- Group	-	88,441	-	-	-	88,441
- Tax related to the group	-	(17,696)	-	-	-	(17,696)
- Associate	-	27,473	-	-	-	27,473
- Tax related to the associates	-	(1,551)	-	-	-	(1,551)
Reclassification by the overlay approach:						
- Associate (Note)	-	-	-	2,605,157	-	2,605,157
- Tax related to the associates	-	-	-	(20,055)	-	(20,055)
March 31	<u>(\$ 12,148,410)</u>	<u>(\$ 299,429)</u>	<u>\$ 6</u>	<u>(\$ 11,709,846)</u>	<u>\$ 40,596</u>	<u>(\$ 24,117,083)</u>

Note 1: The changes in unrealized gains or losses from valuation and reclassification using overlay method were due to the affiliates Sinopac and Nan Shan Life Insurance's effect of changes in the fair value of financial assets through other comprehensive income or disposal of such financial assets.

(XXV) Operating Revenue

	<u>January to March 2025</u>	<u>January to March 2024</u>
Revenue from contracts with customers:		
Revenue from construction contracts	\$ 4,146,289	\$ 3,217,726
Revenue from sales of real estate	765,596	1,734,544
Revenue from sales of goods	1,352,584	1,343,732
Revenue from contract for service	105,129	88,665
Revenues from booths	137,533	129,668
Other revenue from contracts	<u>64,780</u>	<u>68,750</u>
Subtotal	<u>6,571,911</u>	<u>6,583,085</u>
Rental income:		
Lease income - real estate properties	432,017	407,253
Lease income - proprietary booths	<u>11,354</u>	<u>10,186</u>
Subtotal	<u>443,371</u>	<u>417,439</u>
Total	<u>\$ 7,015,282</u>	<u>\$ 7,000,524</u>

1. Detail of customer contract income

The Group's revenue is mainly from the transfer of land and buildings, products and services over time or at a point of time, and it can be divided based on product lines and regions as follows:

January to March 2025	Taiwan				Total
	Construction business	Building materials business	Hypermarket business	Other operations	
Departmental revenue	\$ 6,034,625	\$ 1,130,177	\$ 255,735	\$ 403,720	\$ 7,824,257
Revenue from internal department transactions	(1,135,942)	(54,208)	-	(62,196)	(1,252,346)
Revenue from contracts with external customers	<u>\$ 4,898,683</u>	<u>\$ 1,075,969</u>	<u>\$ 255,735</u>	<u>\$ 341,524</u>	<u>\$ 6,571,911</u>
Timing of revenue recognition					
Revenue recognized at a point in time	\$ 765,596	\$ 1,044,172	\$ 255,735	\$ 190,210	\$ 2,255,713
Revenue recognized over time	<u>4,133,087</u>	<u>31,797</u>	<u>-</u>	<u>151,314</u>	<u>4,316,198</u>
	<u>\$ 4,898,683</u>	<u>\$ 1,075,969</u>	<u>\$ 255,735</u>	<u>\$ 341,524</u>	<u>\$ 6,571,911</u>

January to March 2024	Taiwan				Total
	Construction business	Building materials business	Hypermarket business	Other operations	
Departmental revenue	\$ 6,043,925	\$ 1,103,953	\$ 260,383	\$ 378,604	\$ 7,786,865
Revenue from internal department transactions	(1,098,510)	(42,873)	-	(62,397)	(1,203,780)
Revenue from contracts with external customers	<u>\$ 4,945,415</u>	<u>\$ 1,061,080</u>	<u>\$ 260,383</u>	<u>\$ 316,207</u>	<u>\$ 6,583,085</u>
Timing of revenue recognition					
Revenue recognized at a point in time	\$ 1,734,544	\$ 1,030,552	\$ 260,383	\$ 182,465	\$ 3,207,944
Revenue recognized over time	<u>3,210,871</u>	<u>30,528</u>	<u>-</u>	<u>133,742</u>	<u>3,375,141</u>
	<u>\$ 4,945,415</u>	<u>\$ 1,061,080</u>	<u>\$ 260,383</u>	<u>\$ 316,207</u>	<u>\$ 6,583,085</u>

2. As of March 31, 2025 and 2024, 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 followings:

<u>Year</u>	<u>Year of the estimated recognized revenues</u>	<u>Amounts of the signed contracts</u>
2025	2025 - 2027	<u>\$ 26,600,394</u>
2024	2024 - 2027	<u>\$ 24,546,033</u>

3. Contract assets and liabilities (related parties included)

The Group's recognition of contract assets and contract liabilities related to contracts with customers is as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	<u>January 1, 2024</u>
Contract asset:				
Contract asset - Construction retainage	\$ 1,844,031	\$ 1,785,701	\$ 1,218,490	\$ 1,627,850
Contract asset - Construction contract	<u>2,338,702</u>	<u>3,149,159</u>	<u>2,363,570</u>	<u>2,616,897</u>
Total	<u>\$ 4,182,733</u>	<u>\$ 4,934,860</u>	<u>\$ 3,582,060</u>	<u>\$ 4,244,747</u>
Contract liability:				
Contract liability - Construction contract	\$ 3,061,435	\$ 1,890,804	\$ 1,980,233	\$ 2,180,545
Contract liability - Sales contract for building materials	8,073	32,533	11,116	23,527
Contract liability - Sales contract for real estate	2,289,391	2,018,697	1,822,493	1,879,864
Contract liability - Sales contract for goods	<u>2,094</u>	<u>1,682</u>	<u>2,737</u>	<u>1,421</u>
Total	<u>\$ 5,360,993</u>	<u>\$ 3,943,716</u>	<u>\$ 3,816,579</u>	<u>\$ 4,085,357</u>

4. The contract assets/contract liabilities recognized in the aforementioned construction contracts on March 31, 2025, December 31, 2024 and March 31, 2024 are as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	<u>January 1, 2024</u>
Total costs incurred plus profits recognized (less losses recognized)	\$ 40,054,347	\$ 38,980,806	\$ 36,387,571	\$ 31,458,827
Less: Amount requested for progress of works	<u>(40,777,080)</u>	<u>(37,722,451)</u>	<u>(36,004,234)</u>	<u>(31,022,475)</u>
Status of net assets and liabilities of contracts	<u>(\$ 722,733)</u>	<u>\$ 1,258,355</u>	<u>\$ 383,337</u>	<u>\$ 436,352</u>
Listed as:				
Contract asset - Construction contract	\$ 2,338,702	\$ 3,149,159	\$ 2,363,570	\$ 2,616,897
Contract liability - Construction contract	<u>(3,061,435)</u>	<u>(1,890,804)</u>	<u>(1,980,233)</u>	<u>(2,180,545)</u>
	<u>(\$ 722,733)</u>	<u>\$ 1,258,355</u>	<u>\$ 383,337</u>	<u>\$ 436,352</u>

5. For information on the credit risk of related contract assets, please refer to Note 12(2).

(XXVI) Operation cost

	<u>January to March 2025</u>	<u>January to March 2024</u>
Costs of clients' contracts		
Cost of construction contract	\$ 3,192,997	\$ 2,520,581
Cost of sales of real estate	611,415	1,310,982
Cost of sales of goods	1,279,817	1,171,479
Cost of contract for service	91,633	76,186
Costs of booths	61,817	60,820
Other costs from contracts	<u>721</u>	<u>2,192</u>
Subtotal	<u>5,238,400</u>	<u>5,142,240</u>
Lease costs:		
Lease cost - real estate properties	75,410	66,881
Lease cost - proprietary booths	<u>4,241</u>	<u>3,938</u>
Subtotal	<u>79,651</u>	<u>70,819</u>
Total	<u>\$ 5,318,051</u>	<u>\$ 5,213,059</u>

(XXVII) Interest revenue

	<u>January to March 2025</u>	<u>January to March 2024</u>
Interest on cash in banks	\$ 9,532	\$ 6,456
Interest income from the financial assets measured at amortized costs	5,092	4,900
Other interest income	<u>809</u>	<u>879</u>
	<u>\$ 15,433</u>	<u>\$ 12,235</u>

(XXVIII) Other income

	<u>January to March 2025</u>	<u>January to March 2024</u>
Other income	<u>\$ 39,402</u>	<u>\$ 32,026</u>

(XXIX) Other gains and losses

	<u>January to March 2025</u>	<u>January to March 2024</u>
Loss on disposal of property, plant and equipment	(\$ 13)	(\$ 9)
Investment property fair value adjustment loss (gain)	(204,532)	5,031,879
Net foreign exchange gains	1,855	5,482
Others	<u>(9,112)</u>	<u>(15,988)</u>
	<u>(\$ 211,802)</u>	<u>\$ 5,021,364</u>

(XXX) Financial Costs

	<u>January to March 2025</u>	<u>January to March 2024</u>
Interest expense:		
Bank loan and short-term notes and bills	\$ 254,544	\$ 215,668
Lease liabilities	<u>61,169</u>	<u>61,522</u>
	315,713	277,190
Amount of assets eligible for capitalization		
Inventories	(<u>70,181</u>)	(<u>61,277</u>)
Financial Costs	<u>\$ 245,532</u>	<u>\$ 215,913</u>

(XXXI) Additional information of expenses by nature

	<u>January to March 2025</u>	<u>January to March 2024</u>
Changes in merchandise inventory	\$ 1,866,866	\$ 2,476,385
Raw materials purchased and contract work for current period	2,286,754	1,770,774
Employee benefit expense	873,632	770,300
Depreciation expenses for real estate properties, plants, equipment	109,576	104,399
Depreciation expenses for right-of-use assets	66,425	72,463
Amortization	1,740	3,120
Tax expense	87,932	103,752
Advertisement expense	46,973	22,115
Rent expenses - short term lease	30,750	32,635
Expected credit impairment gains	(3,683)	(1,296)
Other expense	<u>527,557</u>	<u>379,130</u>
Operating costs and expenses	<u>\$ 5,894,522</u>	<u>\$ 5,733,777</u>

(XXXII) Employee benefit expense

	<u>January to March 2025</u>	<u>January to March 2024</u>
Wages and salaries	\$ 730,279	\$ 649,806
Labor and Health Insurance costs	75,467	57,592
Pension expense	27,649	25,198
Directors' Remuneration	5,381	5,260
Other employment fees	<u>34,856</u>	<u>32,444</u>
	<u>\$ 873,632</u>	<u>\$ 770,300</u>

1. In accordance with the Articles of Incorporation of the Company, when the Company has a profit in a fiscal year, 0.3% to 5% of such profit shall be distributed as the employees' compensation; however, when the Company still has accumulated losses, amount still be reserved in advance to make up the losses. The remuneration to employees as stated in the preceding paragraph can be paid in cash or with stock dividends, and the object of distribution must include employees of the subordinate company that meet certain conditions.
2. For the three months ended March 31, 2025 and 2024, employees' compensation was accrued at NT\$10,112 and NT\$20,331, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation was estimated and accrued based on 0.3% of distributable profit for the period from January to March 2025 and 2024.

Employees' compensation of 2024 as resolved by the board of directors was in agreement with the amount of NT\$50,650 recognized in the 2024 financial statements. The aforementioned employee remuneration will be distributed in the form of cash. As of the reporting date, the actual distribution has not yet been made.

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.

(XXXIII) Income tax

1. Income tax expense:

(1) Components of Income tax expense:

	<u>January to March 2025</u>	<u>January to March 2024</u>
Current income tax:		
Income tax occurred in the current period	\$ 194,684	\$ 172,532
Land value increment tax	9,704	15,741
Underestimation on income tax for prior years	<u>3,614</u>	<u>-</u>
Total income tax for current period	<u>208,002</u>	<u>188,273</u>
Deferred income tax:		
Origination and reversal of temporary differences	<u>(50,024)</u>	<u>1,096,613</u>
Total deferred income tax	<u>(50,024)</u>	<u>1,096,613</u>
Income tax expense	<u>\$ 157,978</u>	<u>\$ 1,284,886</u>

- (2) The income tax direct (debit) credit relating to components of other comprehensive income is as follows:

	<u>January to March 2025</u>	<u>January to March 2024</u>
Changes in unrealized valuation profit or loss - group	\$ 23,961	\$ 4,042
Changes in unrealized valuation profit or loss - non-controlling interest	2,767	337
Differences on translation of foreign operations - group	(7,047)	(17,696)
Portion of other comprehensive income from the associates	<u>91,769</u>	<u>(22,571)</u>
	<u>\$ 111,450</u>	<u>(\$ 35,888)</u>

- (3) The income tax direct (debit) credit equity is as follows:

	<u>January to March 2025</u>	<u>January to March 2024</u>
Capital surplus	<u>\$ 1</u>	<u>\$ 2</u>

2. The Company's income tax returns through 2022 have been assessed as approved by the Tax Authority.

(XXXIV) Non-controlling Interest

1. Changes in non-controlling interest:

	<u>January to March 2025</u>	<u>January to March 2024</u>
January 1	\$ 10,481,990	\$ 7,369,429
Net income of current period	386,472	1,580,913
Changes in unrealized valuation profit or loss	(498,004)	(184,016)
Tax amount:		
- Changes in unrealized valuation profit or loss	<u>2,767</u>	<u>337</u>
March 31	<u>\$ 10,373,225</u>	<u>\$ 8,766,663</u>

2. In order to cooperate with the public underwriting before the initial listing on Taipei Exchange by Ruentex Interior Design, a third-tier subsidiary of the Company, the board of directors approved by resolution on March 26, 2024, the cash capital increase by 1,500 thousand shares, with a face value of NT\$10 per share, all of which are ordinary shares and issued at a premium in the total amount of NT\$ 278,226. After reporting to the competent authority, the cash capital increase came into effect on April 10, 2024, with May 17, 2024 as the record date, and the registration of the change was completed on June 19, 2024. The Group did not subscribe for the shares in proportion to the shareholding, so that its combined shareholding in Ruentex Interior Design decreased from 23.45% to 20.25%. Please refer to Note 4(3) for details.

The effects of changes in Ruentex Interior Design's equity in 2024 on the equity attributable to the owners of parent are as follows:

	<u>2024</u>
Cash	\$ 278,226
Share-based payment	1,735
Increase in the carrying amount of non-controlling interests	(<u>235,293</u>)
Capital surplus - changes in the ownership interests of subsidiaries as recognized	<u>\$ 44,668</u>

(XXXV) Earnings per share

	<u>January to March 2025</u>		
	<u>After-tax amount</u>	<u>Number of shares outstanding (thousand shares) at the end of the period</u>	<u>Earnings per share (NTD)</u>
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	<u>\$ 3,379,693</u>	<u>2,730,130</u>	<u>\$ 1.24</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 3,379,693	2,730,130	
Dilutive potential ordinary shares effecting employee compensation	<u>-</u>	<u>1,236</u>	
Effects of the net income attributable to ordinary shareholders of the parent plus potential ordinary shares	<u>\$ 3,379,693</u>	<u>2,731,366</u>	<u>\$ 1.24</u>

	January to March 2024		
	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	\$ 6,729,243	2,730,130	\$ 2.46
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 6,729,243	2,730,130	
Dilutive potential ordinary shares effecting employee compensation	-	1,092	
Effects of the net income attributable to ordinary shareholders of the parent plus potential ordinary shares	\$ 6,729,243	2,731,222	\$ 2.46

(XXXVI) Cash flow supplementary information

1. Investing activities paid partially by cash

	January to March 2025	January to March 2024
Acquisition of property, plant and equipment	\$ 144,630	\$ 59,855
Add: Other payables at the beginning of the period	27,039	13,065
Less: Other payables at the end of the period	(26,167)	(25,971)
Cash payments for current period	\$ 145,502	\$ 46,949

2. Business and investment activities that do not affect cash payments

	January to March 2025	January to March 2024
Prepayments for business facilities reclassified to property, plant and equipment	\$ 1,519	\$ 690
Inventories reclassified to Investment real estate	\$ -	\$ 5,378,191

(XXXVII) Liabilities from financing activities

2025						
	Short-term borrowings	Short-term bills payable	Guarantee deposits received	Long-term borrowings (including due within one year and one operating cycle)	Lease liabilities (including those due within 1 year)	Total liabilities from financing activities
January 1	\$ 7,756,000	\$ 4,337,706	\$ 1,628,486	\$ 39,956,149	\$ 10,819,524	\$ 64,497,865
Changes of the financing cash flows	82,000	1,316,000	9,568	(941,750)	(109,009)	356,809
Other non-cash changes	-	(956)	-	261	-	(695)
March 31	<u>\$ 7,838,000</u>	<u>\$ 5,652,750</u>	<u>\$ 1,638,054</u>	<u>\$ 39,014,660</u>	<u>\$ 10,710,515</u>	<u>\$ 64,853,979</u>
2024						
	Short-term borrowings	Short-term bills payable	Guarantee deposits received	Long-term borrowings (including due within one year and one operating cycle)	Lease liabilities (including those due within 1 year)	Total liabilities from financing activities
January 1	\$ 6,044,000	\$ 3,509,043	\$ 1,404,370	\$ 37,760,605	\$ 10,891,109	\$ 59,609,127
Changes of the financing cash flows	870,000	2,210,000	125,411	(2,900,000)	(104,464)	200,947
Addition-Newly added lease contracts	-	-	-	-	1,973	1,973
Modifications to leases	-	-	-	-	74,029	74,029
Revaluation of lease liabilities	-	-	-	-	9,846	9,846
Other non-cash changes	-	(723)	-	(388)	-	(1,111)
March 31	<u>\$ 6,914,000</u>	<u>\$ 5,718,320</u>	<u>\$ 1,529,781</u>	<u>\$ 34,860,217</u>	<u>\$ 10,872,493</u>	<u>\$ 59,894,811</u>

VII. Transaction with Related Parties

(I) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Ruentex Industries Ltd. (Ruentex Industries)	Associate (the investment company which accounts for the Company using the equity method)
Sunny Friend Environmental Technology Co., Ltd.	Associate (the investee company accounted for under the equity method by the Company)
Kompass Global Sourcing Solutions Ltd.	Associate (investee's subsidiary that measures the Company using the equity method)
Shing Yen Construction & Development Co., Ltd.	Associate (the investee company accounted for under the equity method by the Company)
Ruen Chen Investment Holdings Ltd.	Associate (the investee company accounted for under the equity method by the Company)
Nan Shan Life Insurance Co., Ltd. (Nan Shan Life Insurance)	Associate (the investee company accounted for under the equity method by the Company)
Nan Shan General Insurance Co., Ltd.	Associate (investee's subsidiary that measures the Company using the equity method)
Teh Hsin Enterprise Co., Ltd. (Note 1)	Associate (the investee company accounted for under the equity method by the Group)
OBI Pharma, Inc.	Other related party (the Group's substantial related party)
TaiMed Biologics, Inc. (TaiMed)	Other related party (one of the juridical person director of the Company's subsidiaries is also a juridical person director of the company)
Shu-Tien Urology and Ophthalmology Clinic	Other related party (juridical person director of the Company's associates)
Ruentex Construction & Engineering Co., Ltd.	Other related party (the Group's management is the representative of the juridical person director of the company)
Ruen Hua Dyeing & Weaving Co., Ltd.	Other related party (the Company's representative of juridical person director is the representative of the juridical person director of the company)
Yi Tai Investment Co., Ltd.	Other related party (the Company's representative of juridical person director is the representative of the juridical person director of the company)
Huei Hong Investment Co., Ltd.	Other related party (the Company's representative of 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 Company)
Ruentex Xing Co. Ltd. (Ruentex Xing)	Other related party (its director is the representative of the juridical person director of the Company)
Chang Quan Investment Co., Ltd.	Other related party (the Company's representative of juridical person director is the representative of the juridical person director of the company)

Names of related parties	Relationship with the Group
Ecodax Co., Ltd.	Other related party (the chairman of an associate accounted for using the equity method by the Group serves as the legal representative of the company as a corporate director)
Samuel Yen-Liang Yin	Other related party (relative of the representative of the juridical person director of the Company)
Wang, Kuan-Fei	Other related party (relative of the Company's key management personnel)
Chang, Kai-Hsiang	Other related party (relative of the Group's key management personnel)
Chien, Chieh-Ni	Other related party (relative of the Group's key management personnel)
Yeh, Chia-Mei	Other related party (relative of the Group's key management personnel)
Chao, Hsin-Ti	Other related party (relative of the Group's key management personnel)
Jean, Tsang Jiunn	The Company's key management personnel
Lee, Chih-Hung	The Company's key management personnel
Yang, Ai-Chen	The Company's key management personnel
Chen, Li-Yu	The Company's key management personnel
Chen, Hsueh-Hsien (Note 2)	The Group's key management personnel
Lin, Yi-Chieh (Note 2)	The Group's key management personnel
Lu, Yu-Huang	The Group's key management personnel
Chen, Li-Chun	The Group's key management personnel
Mo, Wei-Han	The Group's key management personnel
Fu, Kuo-Chen	The Group's key management personnel

Note 1: The Group acquired 35% shares of TEH HSIN on November 15, 2024. TEH HSIN is an associate of the Group, and transactions with TEH HSIN have been disclosed starting from that date. For related information, please refer to Note 6(7).

Note 2: Chen, Hsueh-Hsien resigned from the role of President of the sub-subsidiary, Ruentex Materials, on March 12, 2025, and Lin, Yi-Chieh was appointed by the Board of Directors resolution as the president of Ruentex Materials.

(II) Significant related party transactions and balances

1. Operating Revenue

	<u>January to March 2025</u>	<u>January to March 2024</u>
Sales revenue:		
- Other related parties	\$ 1,617	\$ -
- Key management personnel	35,041	-
- Associates	558	-
Revenues from booths:		
- Associates	1,194	279
Contract of construction:		
- Other related parties	7,760	66,979
- Associates	-	519
Sales of Services:		
- Other related parties	2,786	2,794
- Associates	532	572
	<u>\$ 49,488</u>	<u>\$ 71,143</u>

- (1) The Group sold houses and lands to related parties, and the transaction prices were determined based on the negotiation between both parties. In addition, payments were collected according to the contract schedule signed by both parties. The transaction terms had no major difference from general non-related parties. The aforementioned transactions had been completed and the ownership of houses had been transferred. In addition, payments were collected according to the contract schedule signed by both parties.
- (2) There is no significant difference in the Group's transaction prices and payment terms for counter income between related parties and non-related parties.
- (3) The contract price of the contract of construction and sales of goods between subsidiary and related party are negotiated by both parties and are collected by the due date as stated in the contract.
- (4) The Group enters into a service contract with related parties based on price negotiated between two parties and collects the payment according to the schedule agreed in the contract.
- (5) The Company and its subsidiaries pre-sells premises to related parties, and the total sales and advance sale receipt (recognized in contract liabilities-current) are as follows:

	<u>March 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Total contract amount</u>	<u>Advance real estate receipts</u>	<u>Total contract amount</u>	<u>Advance real estate receipts</u>
Other related parties	\$ 100,490	\$ 17,810	\$ 44,320	\$ 8,890
Key management personnel	51,970	7,290	62,130	11,890
	<u>\$ 152,460</u>	<u>\$ 25,100</u>	<u>\$ 106,450</u>	<u>\$ 20,780</u>

	March 31, 2024	
	<u>Total contract amount</u>	<u>Advance real estate receipts</u>
Other related parties	\$ 70,480	\$ 32,880
Key management personnel	80,390	25,536
	<u>\$ 150,870</u>	<u>\$ 58,416</u>

2. Purchases of goods

	<u>January to March 2025</u>	<u>January to March 2024</u>
Project contracting:		
- Other related parties	<u>\$ 63,059</u>	<u>\$ 40,861</u>
Purchases of goods:		
- Associates	<u>\$ 139,620</u>	<u>\$ -</u>

- (1) The Group pays its related parties with the promissory notes due within 1~2 months.
- (2) The purchase price and construction 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.
- (3) The construction contracts and purchase contracts entered into by the Group and its related parties, uncompleted construction-in-progress contracts, uncompleted purchase contracts and payment amounts are as follows:

	March 31, 2025		December 31, 2024	
	<u>Total contract amount (tax excluded)</u>	<u>Amount paid</u>	<u>Total contract amount (tax excluded)</u>	<u>Amount paid</u>
Other related parties	\$ 611,191	\$ 320,852	\$ 611,191	\$ 260,945
Associates	899,654	612,040	757,059	611,767
	<u>\$ 1,510,845</u>	<u>\$ 932,892</u>	<u>\$ 1,368,250</u>	<u>\$ 872,712</u>

	March 31, 2024	
	<u>Total contract amount (tax excluded)</u>	<u>Amount paid</u>
Other related parties	<u>\$ 611,191</u>	<u>\$ 142,593</u>

3. Incomplete work of construction contracting and advance Construction Receipts

	March 31, 2025		December 31, 2024	
	Total contract amount (tax excluded)	Amount requested for progress of works	Total contract amount (tax excluded)	Amount requested for progress of works
Other related parties	<u>\$ 368,876</u>	<u>\$ 339,052</u>	<u>\$ 368,876</u>	<u>\$ 337,330</u>

	March 31, 2024	
	Total contract amount (tax excluded)	Amount requested for progress of works
Other related parties	<u>\$ 440,717</u>	<u>\$ 309,567</u>

4. Interest revenue

	<u>January to March 2025</u>	<u>January to March 2024</u>
Interest income from the financial assets measured at amortized costs:		
Nan Shan Life Insurance	<u>\$ 4,900</u>	<u>\$ 4,900</u>

5. Receivables from related parties

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Notes receivable:			
Other related parties	\$ -	\$ 979	\$ -
Associates	<u>40</u>	<u>-</u>	<u>-</u>
	<u>\$ 40</u>	<u>\$ 979</u>	<u>\$ -</u>
Accounts receivable:			
Other related parties	\$ 3,584	\$ 3,876	\$ 14,128
Associates	<u>487</u>	<u>357</u>	<u>322</u>
	<u>\$ 4,071</u>	<u>\$ 4,233</u>	<u>\$ 14,450</u>
Other receivables (Note 1):			
Nan Shan Life Insurance	\$ 15,029	\$ 10,127	\$ 15,028
Associates	29	30	38
Other related parties	<u>-</u>	<u>534</u>	<u>-</u>
	<u>\$ 15,058</u>	<u>\$ 10,691</u>	<u>\$ 15,066</u>
Contract assets (Note 2):			
Other related parties	<u>\$ 8,774</u>	<u>\$ 8,774</u>	<u>\$ 16,252</u>

Note 1: Mainly related to interest receivable and other receivables arising from secondment of personnel.

Note 2: Mainly the retention money related to construction contracts.

6. Payables to related parties

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Notes payable:			
Other related parties	\$ -	\$ 18,992	\$ 12,524
Associates (Note)	<u>50,244</u>	<u>1,483</u>	<u>865</u>
	<u>\$ 50,244</u>	<u>\$ 20,475</u>	<u>\$ 13,389</u>
Accounts payable:			
Other related parties	\$ 39,178	\$ 14,421	\$ 7,969
Associates (Note)	<u>28,419</u>	<u>1,464</u>	<u>778</u>
	<u>\$ 67,597</u>	<u>\$ 15,885</u>	<u>\$ 8,747</u>

Note: mainly computer maintenance fees payable, group insurance premium payable, and the retail counter sales payable (net of commission) and payables for the incoming construction materials to related parties by the subsidiary.

7. Property transactions

Acquisition of financial Assets

Please refer to Note 6(5)6.

8. Lease transactions - lessees/rent expenses

- (1) The Company's subsidiary Ruentex Engineering & Construction leases land from Ruentex Industries, and the lease agreement with Ruentex Industries covers the period from June 2022 to May 2040. The right-of-use asset/lease liability of \$342,534 are recognized at the same time. 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 subsidiary of the Company, Ruentex Engineering & Construction, entered into a land lease agreement with Ruentex Industries in June 2020, with the lease term extending to May 2040. The Company subsequently completed partial handovers of the leased assets in September 2022 and December 2024, and recognized right-of-use assets and lease liabilities in the amounts of NT\$506,812 and NT\$59,326, respectively. 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>January to March 2025</u>	<u>January to March 2024</u>
Other related parties	\$ 6,765	\$ 6,627
Associates	<u>4,636</u>	<u>3,922</u>
	<u>\$ 11,401</u>	<u>\$ 10,549</u>

(4) Lease liabilities

A. Balance at the end of the period:

Associates

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Total amount of lease liabilities (Note)	\$ 915,172	\$ 928,485	\$ 840,420
Less: Current portion (listed as lease liabilities - current)	(53,785)	(53,571)	(45,926)
	<u>\$ 861,387</u>	<u>\$ 874,914</u>	<u>\$ 794,494</u>

Note: Please refer to Note 6(9)13.

B. Interest Costs:

	<u>January to March 2025</u>	<u>January to March 2024</u>
Other related parties	<u>\$ 3,676</u>	<u>\$ 3,390</u>

9. Refundable deposits (recorded as other non-current assets)

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Other related parties	<u>\$ 760</u>	<u>\$ 760</u>	<u>\$ -</u>

It's mainly the Group's refundable deposits for leased factory buildings.

10. Endorsements or guarantees made by related parties

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Key management personnel	<u>\$ 101,575,420</u>	<u>\$ 100,479,211</u>	<u>\$ 95,625,020</u>

11. Other

- (1) A portion of the Company's inventories is agricultural and pastoral land. Due to legal restrictions, the Group is not entitled to the property rights of the aforementioned land. Therefore, the property rights of said land were registered to the chief management and other related parties and pledged as collateral to the Company. As of March 31, 2025, the book value of said land was NT\$627,138.
- (2) A portion of the Ruentex Materials' 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, and 2020 were registered to the chief management for a total of NT\$84,306 and pledged as collateral to the Ruentex Materials. As of March 31, 2025, the carrying value of agricultural and animal husbandry land was NT\$84,306 under "Property, plant and equipment."

(III) Key management compensation information

	<u>January to March 2025</u>	<u>January to March 2024</u>
Wages and salaries and other short-term employee benefits	\$ 112,708	\$ 107,011
Post-employment benefits	3,160	1,407
Termination benefits	-	1,111
Total	<u>\$ 115,868</u>	<u>\$ 109,529</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>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	
Inventories	\$ 22,638,013	\$ 21,640,675	\$ 17,563,843	Long-term/short-term borrowings and Issuance of Commercial Paper
Other financial assets-current (listed as Other Current Assets)	946,038	1,081,009	1,384,151	Joint construction guarantee deposits and real estate trust receipts in advance
Financial assets at fair value through other comprehensive income acquired - non-Current	440,000	430,000	-	Long-term borrowings
Investments accounted for using equity method	16,662,517	15,626,371	16,465,498	Long-term/short-term borrowings and Issuance of Commercial Paper
Right-of-use assets	109,155	109,653	111,238	Long-term/short-term borrowings
Other financial assets - non-current (listed as "other non-current assets")	194,564	220,543	219,821	Money Lodged at Courts and Performance Bonds
Property, plant, and equipment	1,689,393	1,693,231	1,698,906	Long-term/short-term borrowings
Investment Real Estate	43,501,254	43,635,221	38,641,279	Long-term borrowings
	<u>\$ 86,180,934</u>	<u>\$ 84,436,703</u>	<u>\$ 76,084,736</u>	

IX. Significant Contingent Liabilities and Unrecognized Commitments

(I) Contingencies

Other than specified in Note 6(12), there were no other material contingencies.

(II) Commitments

Except for those described in Note 6(7), (9), (10), (16) and 7, other significant commitments are as follows:

1. As of March 31, 2025, December 31, 2024, and March 31, 2024, the total amounts of the construction contracts entered into by the Group for construction projects were NT\$60,052,092, NT\$57,548,526, and NT\$48,895,032, respectively. Amounts of NT\$34,390,780, NT\$33,433,246, and NT\$31,903,239 have been paid, respectively, and the remainder will be paid based on the stage of completion.
2. As of March 31, 2025, December 31, 2024, and March 31, 2024, the guarantee bond for the joint development contracts, including the Ruentex Feng Zuo An, Ruentai Sheng, Xinzhuang Gongyuan Road, and Banqiao Xindu Section projects, signed by the Group with landlords, amounted NT\$545,733, NT\$575,054, and NT\$488,226.
3. The amounts of letters of credit issued by the subsidiaries but not yet used are as follows:

<u>Currency (thousands)</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
USD	\$ 276	\$ 347	\$ -
EUR	-	-	106
RMB	17,936	-	-
TWD	5,744	-	-

4. On the performance bond for contracting construction projects, the subsidiary applied to local banks registered with the Ministry of Finance for a guarantee amount and issued guarantee notes totaling NT\$1,000,000.
5. Authorized operation contracts of Hypermarket Business Department
 - (1) The Company and RT-MART International Co., Ltd. signed an authorized operation contract and an entrusted management and purchase agreement for the Zhonglun Hypermarket in August 2004 in order to allow RT-MART International Co., Ltd. to provide relevant services for the establishment, operation and maintenance of the hypermarket, and the contract contents are summarized in the following:
 - A. Term of contract: Original contract was from August 2004 to December 2009, and both parties had agreed to extend for 10 years.
 - B. Purchase and management service remuneration: According to the following calculation method, for the retail store earnings of the sales location remuneration (excluding the financial income amount and the remuneration payable), the earnings remuneration payable was calculated:
If sales outlets have profits, 50% surplus of stores and food courts should be paid to RT-MART International Co., Ltd. as surplus remuneration, and RT-MART International Co., Ltd. is not liable for losses of the sales outlets.
 - C. Restrictive provisions:
During the contract period, if the Company intends to sell, lease, or otherwise dispose of the assets or business of the wholesale store, it shall propose in writing to sell, rent,

or transfer the same to RT-MART International Co., Ltd. at the agreed price. If the RT-MART International Co., Ltd. fails to inform the Company its willingness to accept the offer within 60 days after the receipt of the proposal, then the Company may then lease, sell or dispose the asset or operation of the store in other methods to a third party.

- (2) The parties have entered into an agreement in December 2019 to extend the term of the original contract and to amend the remuneration, which is summarized as follows:
- A. Contract period: Both parties agreed to extend the contract till February 2030 after establishing supplementary agreements several times.
- B. Remuneration for procurement and management services: The management service fee, remuneration for procurement services and management service fee for the operation of the food court under the original contract are calculated based on 1% of the total monthly revenue before tax of the Zhonglun Store (excluding the food court).

X. Significant Disaster Loss

None.

XI. Significant subsequent events

None.

XII. Others

(I) Capital management

The Group's capital management is to ensure its going concern and maintain the best capital structure to reduce capital cost, so as to provide returns to its shareholders. In order to maintain or adjust capital structure, the Group may adjust dividend distribution, return capital to shareholders, issue new shares or dispose assets to optimize the capital structure. The Group manages its capital through liabilities-to-capital ratio that is the ratio of net liabilities over 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.

The Group's debt ratios as of March 31, 2025, December 31, 2024, and March 31, 2024 were as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Total borrowings	\$ 52,505,410	\$ 52,049,855	\$ 47,492,537
Less: Cash and cash equivalents	(6,725,324)	(5,923,952)	(3,833,619)
Net debt	45,780,086	46,125,903	43,658,918
Total equity	<u>107,595,076</u>	<u>111,801,881</u>	<u>111,873,227</u>
Total capital	<u>\$ 153,375,162</u>	<u>\$ 157,927,784</u>	<u>\$ 155,532,145</u>
Debt-to-total-capital ratio	29.85%	29.21%	28.07%

(II) Financial instruments

1. Type of financial instruments

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income acquired - non-Current	\$ 5,012,811	\$ 5,900,483	\$ 5,048,250
Financial assets at amortized cost			
Cash and cash equivalents	6,725,324	5,923,952	3,833,619
Notes receivable (including related parties)	196,661	248,910	916,213
Accounts receivable (including related parties)	2,849,478	1,643,526	2,361,271
Other receivables (including related parties)	104,541	170,933	127,315
Current and non-current financial assets at amortized cost/loans and receivables	610,000	610,000	560,000
Long-term notes and accounts receivable	443,900	392,321	234,568
Other financial assets (listed as other current assets and other non-current assets)	1,140,602	1,301,552	1,603,972
Refundable deposits listed in (“other current assets” and “other non-current assets”)	111,466	111,279	108,353
	<u>\$ 17,194,783</u>	<u>\$ 16,302,956</u>	<u>\$ 14,793,561</u>
<u>Financial liabilities</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Financial liabilities are carried at amortized cost			
Short-term borrowings	\$ 7,838,000	\$ 7,756,000	\$ 6,914,000
Short-term bills payable	5,652,750	4,337,706	5,718,320
Notes payable (including related parties)	935,489	1,174,068	722,559
Accounts payable (including related parties)	4,295,576	4,028,594	4,248,813
Other Payables (including expenses payable)	1,137,296	1,622,322	809,606
Long-term borrowings (including due within one year or one operating cycle)	39,014,660	39,956,149	34,860,217
Guarantee deposits received (listed as other non-current liabilities)	1,638,054	1,628,486	1,529,781
	<u>\$ 60,511,825</u>	<u>\$ 60,503,325</u>	<u>\$ 54,803,296</u>
Lease liabilities - current and non-current	<u>\$ 10,710,515</u>	<u>\$ 10,819,524</u>	<u>\$ 10,872,493</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.
- (2) Risk management is carried out by the Group's Finance Department under policies approved by the Board of Directors. Finance Department identified, evaluates and hedges financial risks in close cooperation with the Group's operating units. 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 holds multiple investments in foreign operations, and net assets of such investments are exposed to foreign exchange risk. Also, the Group's business involves multiple non-functional currencies that may be impacted by changes to foreign exchange rate. Information for foreign-currency-denominated assets and liabilities that may be impacted by foreign exchange risk is as follows:

March 31, 2025								
	Foreign currency (thousands)	Exchange rate	Carrying amount (NT\$)	Sensitivity analysis			Effects on other comprehensive income	
				Range of variation	Effects on profit and loss			
<u>Financial assets</u>								
<u>Monetary Items</u>								
USD:NTD	\$ 4,419	33.21	\$ 146,755	1%	\$ 1,468	\$ -		
<u>Non-monetary Items</u>								
USD:NTD	46,742	33.21	1,552,298	1%	-		15,523	
<u>Financial liabilities</u>								
<u>Monetary Items</u>								
USD:NTD	3	33.21	100	1%	1	-		
December 31, 2024								
	Foreign currency (thousands)	Exchange rate	Carrying amount (NT\$)	Sensitivity analysis			Effects on other comprehensive income	
				Range of variation	Effects on profit and loss			
<u>Financial assets</u>								
<u>Monetary Items</u>								
USD:NTD	\$ 4,378	32.79	\$ 143,555	1%	\$ 1,436	\$ -		
<u>Non-monetary Items</u>								
USD:NTD	51,620	32.79	1,692,626	1%	-		16,926	
<u>Financial liabilities</u>								
<u>Monetary Items</u>								
USD:NTD	52	32.79	1,705	1%	17	-		
EUR:NTD	2	34.14	68	1%	1	-		
JPY:NTD	409	0.21	86	1%	1	-		

	March 31, 2024							
	Foreign currency (thousands)	Exchange rate	Carrying amount (NT\$)	Sensitivity analysis				
				Range of variation	Effects on profit and loss		Effects on other comprehensive income	
<u>Financial assets</u>								
<u>Monetary Items</u>								
USD:NTD	\$ 4,240	32.00	\$ 135,680	1%	\$ 1,357	\$ -		
<u>Non-monetary Items</u>								
USD:NTD	39,128	32.00	1,252,110	1%	-	12,521		
<u>Financial liabilities</u>								
<u>Monetary Items</u>								
USD:NTD	28	32.00	896	1%	9	-		

B. Foreign exchange risk has significant impact on the Group, and the foreign exchange gains (including realized and unrealized) on monetary items recognized were NT\$1,855 and NT\$5,482, for the three months ended March 31, 2025 and 2024, respectively.

Price risk

- A. The Group's equity instruments exposed to price risk were the financial assets at fair value through other comprehensive income. In order to manage its equity instruments investment against price risk, the Group diversified its investment portfolio based on the limits set by the Group.
- B. The Group has mostly invested in equity instruments issued by domestic companies, and the prices of such equity instruments would change due to the change of the future value of investee companies. If the prices of these equity instruments had increased/decreased by 1% with all other variables held constant, gains or losses on equity instruments at fair value through other comprehensive income and available-for-sale financial assets for the three months ended March 31, 2025 and 2024 would have increased or decreased by NT\$50,128 and NT\$50,483.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risk arises from total borrowings with floating interest rates that expose the Group to cash flow interest rate risk. For the three months ended March 31, 2025 and 2024, the Group's borrowings issued at variable rates were mostly denominated in New Taiwan Dollars.
- B. The Group's borrowings were measured at amortized cost, and the interest rate is reset every year as specified in the contracts. Therefore, the Group is expose to interest rate risk from any future market interest rate change.
- C. If interest rates on borrowings had been 0.125% higher or lower with all other variables held constant, profit after income tax for the three months ended March 31, 2025 and 2024 would have decreased or increased NT\$11,143 and NT\$9,700, 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 the clients or counterparties of financial instruments on the contract obligations. Credit risk arises from outstanding accounts receivable that counterparties fail to deliver in accordance with the payment terms, contract assets and the contract cash flows classified as measured at amortized cost.
- B. The Group manages its credit risk based on a Group-oriented system. For corresponding banks and financial institutions, the Company set up to only accept transaction counterparties receiving the credit rating of at least Class “A”. Following the internal credit policies, before setting the terms and conditions for payments and delivery with a new customer, each entity of the Group should assess new customer’s credit risk and conduct credit risk management. 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 uses the presumptions provided by IFRS 9 that a loan that is 90 days past due is credit-impaired.
- D. The Group uses IFRS to provide the following assumptions, to determine if the credit risks of the financial instrument significantly increased since the initial recognition.
 - (A) 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.
 - (B) Investments in bonds traded in the Over-the-Counter (OTC) with an external rating agency rated as investment grade at the balance sheet date, the asset will be regarded as having low credit risk.
- E. The indicators for determine the impairment of the debt instrument investment used by the Group 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 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 pursue the legal right of recourse to protect the 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 March 31, 2025, December 31, 2024, and March 31, 2024, the loss rate methodology is as follows:

	<u>Each</u>	<u>Group A</u>	<u>Group B</u>	<u>Total</u>
<u>March 31, 2025</u>				
Expected loss	0%~100%	0.00%~0.03%	1.01%~100%	
Total carrying amount (including related parties)	\$ 20	\$ 6,743,145	\$ 296,159	\$ 7,039,324
Allowance for losses	12	439	6,662	7,113
	<u>Each</u>	<u>Group A</u>	<u>Group B</u>	<u>Total</u>
<u>December 31, 2024</u>				
Expected loss	0%~100%	0.00%~0.03%	0.63%~100%	
Total carrying amount (including related parties)	\$ 29	\$ 6,280,113	\$ 309,040	\$ 6,589,182
Allowance for losses	16	342	10,438	10,796
	<u>Each</u>	<u>Group A</u>	<u>Group B</u>	<u>Total</u>
<u>March 31, 2024</u>				
Expected loss	0%~100%	0.00%~0.03%	0.50%~100%	
Total carrying amount (including related parties)	\$ 872,063	\$ 4,800,070	\$ 277,361	\$ 5,949,494
Allowance for losses	11	359	5,793	6,163

- Individual: As of March 31, 2024, the Group's accounts receivable arising from the contracting of construction to a certain customer exceeded the normal credit period. The two parties negotiated and obtained the negotiation record and payment plan signed by the customer in November 2023. According to the negotiation record, the Group retrieved and completed the pre-registration of mortgage on the construction contracted. Later, the accounts receivable of the Group from this customer were fully recovered on April 29, 2024, and the mortgage was written off on May 1, 2024.
- Group A: Sales counterparty established for 10 years and more, or accounts receivables arising from transactions with related parties and contracts for public construction or to debtors who have 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. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	<u>2025</u>	<u>2024</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
January 1	\$ 10,796	\$ 7,459
Reversal of impairment loss	(3,683)	(1,296)
March 31	<u>\$ 7,113</u>	<u>\$ 6,163</u>

The amounts set forth above are based on the collateral held and other credit enhancements. Therefore, the unrecognized allowance for losses was NT\$0, NT\$0, and NT\$594,261 on March 31, 2025, December 31, 2024, and March 31, 2024, respectively.

- J. The financial assets measured at amortized cost recognized by the Group consist of time deposits with maturities over three months and subordinated corporate bonds. As the counterparties have good credit rating, the probability of default is considered to be very low.

(3) Liquidity risk

- A. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Finance Department. Finance Department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Please refer to Note VI (16) for details of undrawn committed borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.
- B. The Group invests surplus cash from all operating units in interest bearing current accounts, time deposits, and repurchasable bonds, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group's position held in money market were NT\$6,421,552, NT\$5,560,853, and NT\$3,462,523.
- C. The table below analyses the Group's non-derivative financial liabilities and into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the following table are the contractual undiscounted cash flows:

Non-derivative financial liabilities:

March 31, 2025	<u>Within 1 year</u>	<u>Within 2-5 years</u>	<u>More than 5 years</u>
Short-term borrowings	\$ 7,838,000	\$ -	\$ -
Short-term notes and bills payable (Note 1)	5,656,000	-	-
Notes payable (including related parties)	935,489	-	-
Accounts payable (including related parties)	3,542,354	730,941	22,281
Other payables	1,118,255	18,948	93
Lease liabilities (Note 1)	550,599	2,494,780	13,798,938
Long-term borrowings (including due within one year or one operating cycle) (Note)	4,077,681	30,436,185	7,552,412
Other financial liabilities (Note 2)	63,760	1,253,630	320,664

Non-derivative financial liabilities:

December 31, 2024	<u>Within 1 year</u>	<u>Within 2-5 years</u>	<u>More than 5 years</u>
Short-term borrowings	\$ 7,756,000	\$ -	\$ -
Short-term notes and bills payable (Note 1)	4,340,000	-	-
Notes payable (including related parties)	1,174,068	-	-
Accounts payable (including related parties)	3,212,932	792,426	23,236
Other payables	1,602,419	19,828	75
Lease liabilities (Note 1)	550,786	2,535,772	13,927,937
Long-term borrowings (including due within one year or one operating cycle) (Note)	1,289,713	34,095,702	7,756,681
Other financial liabilities (Note 2)	66,946	1,239,616	321,924

Non-derivative financial liabilities:

March 31, 2024	<u>Within 1 year</u>	<u>Within 2-5 years</u>	<u>More than 5 years</u>
Short-term borrowings	\$ 6,914,000	\$ -	\$ -
Short-term notes and bills payable (Note 1)	5,720,000	-	-
Notes payable (including related parties)	722,559	-	-
Accounts payable (including related parties)	3,501,878	709,110	37,825
Other payables	788,653	20,892	61
Lease liabilities (Note 1)	554,866	2,512,381	14,149,303
Long-term borrowings (including due within one year or one operating cycle) (Note)	4,361,101	34,613,001	-
Other financial liabilities (Note 2)	1,606	1,237,838	290,337

Note 1: The amount includes the expected interest to be paid in the future.

Note 2: Refers to the bond deposited, and other non-Current liabilities is listed.

- D. The Group did not expect the occurrence timing of cash flow of expiry date analysis would be significantly earlier, or the actual amount would significantly differ.

(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 fair values of the Group's investment in equity instruments without an active market and investment property is included.
- The carrying amounts of the Group'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 recognized in other current assets and other non-current assets, long-term notes and accounts receivable, short-term borrowings, short-term notes payable, notes payable (including related parties), accounts payable (including related parties), other payables, long-term borrowings, and other financial liabilities recognized in other non-current liabilities, are approximate to their fair values.

3. Classification of financial instruments and non-financial instruments at fair value based on the natures, characteristic and risk, and fair value level is as follows:

March 31, 2025	<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	\$ 4,938,899	\$ -	\$ 73,912	\$ 5,012,811
Investment property (Note)	-	-	45,074,557	45,074,557
Total	<u>\$ 4,938,899</u>	<u>\$ -</u>	<u>\$ 45,148,469</u>	<u>\$ 50,087,368</u>

December 31, 2024	<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	\$ 5,826,571	\$ -	\$ 73,912	\$ 5,900,483
Investment property (Note)	-	-	45,609,271	45,609,271
Total	<u>\$ 5,826,571</u>	<u>\$ -</u>	<u>\$ 45,683,183</u>	<u>\$ 51,509,754</u>

March 31, 2024	<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	\$ 4,966,229	\$ -	\$ 82,021	\$ 5,048,250
Investment property (Note)	-	-	45,069,471	45,069,471
Total	<u>\$ 4,966,229</u>	<u>\$ -</u>	<u>\$ 45,151,492</u>	<u>\$ 50,117,721</u>

Note: Investment property subsequently measured at fair value

4. The methods and assumptions the Group used to measure fair value are as follows:
- (1) For financial instruments of the Group 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 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.)

- (2) 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. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
- (3) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (4) For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. Such type of valuation model is normally applied to derivative financial instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. For the impacts of non-market observable parameters on financial instrument valuation, please refer to Note 12(3)9 for details.
- (5) 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 in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on Current market conditions.
- (6) The fair value valuation techniques adopted by the Group for the investment property measured at fair value are in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and such fair values are measured by external appraisers using the income approach. The related assumptions and input values are as follows:
 - A. Cash Flow: It is evaluated based on the existing lease contracts, local rents, or the rental trends of similar property in the market, excluding those that are too high or too low. If there is an end-of-period value, the present value of the end-of-period value may be added.
 - B. Analysis Period: If there is no specific period for income, the analysis period should not exceed ten years in principle; if there is a specific period for income, it should be estimated based on the remaining period.
 - C. Discount Rate: It is estimated with the risk premium approach at a certain interest rate, with the individual characteristics of investment property considered. The so-called constant interest rate refers to a benchmark that cannot be lower than the two-year postal time deposit small amount deposit flexible interest rate announced by Chunghwa Post Co., Ltd. plus 0.75 percentage points.

- D. Growth rate: The adjustment is made by considering the growth rate of rental income of similar properties in markets and taking into account the economic fluctuations in recent years.
5. There was no transfer between the Level 1 and the Level 2 fair values during the three months ended March 31, 2025 and 2024.
 6. There have been no occurrences of transfer in or out from Level 3 during the three months ended March 31, 2025 and 2024.
 7. Accounting Department is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value. Investment properties are valued according to the valuation method and parameter assumptions announced by the Financial Supervisory Commission, or they are appraised by external appraisers.
 8. 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:

	March 31, 2025 Fair value	Valuation techniques	Significant unobservable inputs	Discount rate	Relationship between inputs and fair value
Non-derivative Equity Instrument:					
Shares of non- TWSE/TPEX listed companies	\$ 73,012	Comparable TWSE/TPEX listed companies	Discount for lack of marketability	21.04%	The higher the marketability discount, the lower the fair value.
Shares of non- TWSE/TPEX listed companies	900	Net assets value method	Not applicable	Not applicable	Not applicable
Investment Real Estate	45,074,557	The discounted cash flow method of the income approach	Long-term rental income growth rates and discount rates	Note	The higher the growth rate of long-term rental income, the higher the fair value; the higher the discount rate, the lower the fair value.

	December 31, 2024 Fair value	Valuation techniques	Significant unobservable inputs	Discount rate	Relationship between inputs and fair value
Non-derivative Equity Instrument:					
Shares of non-TWSE/TPEX listed companies	\$ 73,012	Comparable TWSE/TPEX listed companies	Discount for lack of marketability	21.04%	The higher the marketability discount, the lower the fair value.
Shares of non-TWSE/TPEX listed companies	900	Net assets value method	Not applicable	Not applicable	Not applicable
Investment Real Estate	45,609,271	The discounted cash flow method of the income approach	Long-term rental income growth rates and discount rates	Note	The higher the growth rate of long-term rental income, the higher the fair value; the higher the discount rate, the lower the fair value.

	March 31, 2024 Fair value	Valuation techniques	Significant unobservable inputs	Discount rate	Relationship between inputs and fair value
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.
Non public traded securities	900	Net assets value method	Not applicable	Not applicable	Not applicable
Investment Real Estate	45,069,471	The discounted cash flow method of the income approach	Long-term rental income growth rates and discount rates	Note	The higher the growth rate of long-term rental income, the higher the fair value; the higher the discount rate, the lower the fair value.

Note: Please refer to Note 6(11) for the range of long-term rental income growth rates and the range of discount rates.

9. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurements. For financial Assets classified as Level 3, if there is change in the valuation parameters, then the impact on other comprehensive income is as follows:

		March 31, 2025		
		Recognized as other comprehensive income		
	Inputs	Changes	Favorable changes	Adverse changes
Financial assets				
Equity Instrument	Lack of marketability discount	±1%	\$ 739	(\$ 739)

			<u>December 31, 2024</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	Lack of marketability			
	Marketability discount	±1%	<u>\$ 739</u>	<u>(\$ 739)</u>
			<u>March 31, 2024</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	Lack of marketability			
	Marketability discount	±1%	<u>\$ 820</u>	<u>(\$ 820)</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. Significant marketable securities held at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to Table 2.
4. 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.
5. Receivables from related parties reaching NT\$ 100 million or 20% of paid-in capital or more: Please refer to Table 4.
6. Business relationships and significant transactions between the parent company and 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.

XIV. Segment Information

(I) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Chief Operating Decision-Maker considers the business and evaluate segment performance from an industry perspective; the Group currently focuses on the businesses in construction, commercial real estate and building materials, and the operating outcomes of the remaining businesses are summarized in “Other operating segment”.

(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 on Departments

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	January to March 2025				
	<u>Construction Business Department</u>	<u>Commercial real estate</u>	<u>Building Materials Division</u>	<u>Other Operating Departments</u>	<u>Total</u>
Revenue from external customers	\$ 4,986,649	\$ 525,061	\$ 1,075,969	\$ 427,603	\$ 7,015,282
Internal revenue	1,140,364	6,133	54,208	56,063	1,256,768
Departmental revenue	\$ 6,127,013	\$ 531,194	\$ 1,130,177	\$ 483,666	\$ 8,272,050
Operating net income (loss) from the department to be reported	<u>\$ 804,395</u>	<u>\$ 369,819</u>	<u>(\$ 9,469)</u>	<u>(\$ 22,355)</u>	<u>\$ 1,142,390</u>

	January to March 2024				
	<u>Construction Business Department</u>	<u>Commercial real estate</u>	<u>Building Materials Division</u>	<u>Other Operating Departments</u>	<u>Total</u>
Revenue from external customers	\$ 5,010,398	\$ 513,957	\$ 1,061,080	\$ 415,089	\$ 7,000,524
Internal revenue	1,098,510	9,764	42,873	52,633	1,203,780
Departmental revenue	\$ 6,108,908	\$ 523,721	\$ 1,103,953	\$ 467,722	\$ 8,204,304
Operating net income (loss) from the department to be reported	<u>\$ 878,675</u>	<u>\$ 363,198</u>	<u>\$ 66,821</u>	<u>(\$ 18,298)</u>	<u>\$ 1,290,396</u>

(IV) Reconciliation for segment income (loss)

1. The sales and leases made the Group's construction business segment and commercial real estate segment are negotiated by the participating parties; sales made by the building material business segment are handled as regular sales. The revenue from external parties reported to the Chief Operating Decision-Maker are measured in a manner consistent with the revenue in the statements of comprehensive income.
2. Reconciliation for segment income (loss) and profit before tax from continuing operations for the three months ended March 31, 2025 and 2024:

	<u>January to March 2025</u>	<u>January to March 2024</u>
Income/loss from the department to be reported	\$ 1,142,390	\$ 1,290,396
Adjustments and written-off	(21,630)	(23,649)
Total	1,120,760	1,266,747
Interest revenue	15,433	12,235
Net foreign exchange gains	1,855	5,482
Financial Costs	(245,532)	(215,913)
Share of profit of associates accounted for using the equity method	3,205,882	3,478,583
Loss on disposal of property, plant and equipment	(13)	(9)
Investment property fair value adjustment loss (gain)	(204,532)	5,031,879
Others	<u>30,290</u>	<u>16,038</u>
Income before tax from continuing operations	<u>\$ 3,924,143</u>	<u>\$ 9,595,042</u>

Ruentex Development Co., Ltd. and subsidiaries
Endorsements and Guarantees for Others
For the Three Months Ended March 31, 2025

Attached Table 1

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

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	Maximum balance of endorsements/ guarantees for the current period	Balance of endorsements/ guarantees at the end of the period	Actual amount drawn	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	Endorsements / guarantees made by the parent for its subsidiaries	Endorsements/ guarantees made by the subsidiary company for its parent	Endorsements/ guarantees made for the entities in China	Remark
		Company name	Relations (Note 2)											
1	Ruentex Engineering & Construction Co., Ltd.	Ruentex Materials Co., Ltd.	1	\$ 1,294,650	\$ 88,368	\$ 88,368	\$ 88,368	-	1.03	\$ 2,589,300	Y	N	N	Note 4

Note 1: The column of No. is described as follows:

(1). Please fill in 0 for the issuers.

(2). Please fill in the Arabic numeral sequentially numbered starting from 1 for the invested companies according to the company type.

Note 2: There are seven types of the relationship between the company making an endorsement/guarantee and the entity for which the endorsement/guarantee as follows. Please indicate the type only:

(1). A company with which the Company does business.

(2). A company in which the Company directly and indirectly holds more than 50% of the voting shares.

(3). A company that directly and indirectly holds more than 50% of the voting shares in the Company.

(4). A company in which the Company holds, directly or indirectly, 90%, or more of the voting shares.

(5). A company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6). A company in which all capital contributing shareholders make endorsements/guarantees for their jointly invested in proportion to their shareholding percentages.

(7). Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The maximum amount of endorsements/guarantees made by the Company shall not exceed 100% or more of the net worth of the Company and the amount of endorsements/guarantees made by the Company for any single entity shall not exceed 90% or more of the net worth of the Company.

Note 4: The maximum amount of endorsements/guarantees made by the subsidiary 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.

Ruentex Development Co., Ltd. and subsidiaries
Securities held at the end of the period (not including investments in subsidiaries, associates and jointly controlled entities)
March 31, 2025

Attached Table 2

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

Company holding the securities	Type and name of the securities (Note 1)	Relationship with the securities issuer (Note 2)	Account recognized	End of the period				Remark
				Number of shares	Carrying amount (Note 3)	Shareholding percentage	Fair value (Note 4)	
Ruentex Development Co., Ltd.	Shares of TaiMed Biologics	The juridical person director of the Company's subsidiary is also the juridical person director of that company	Financial assets at fair value through other comprehensive income - non-current	11,012,298	\$ 969,082	4.03	\$ 969,082	Note 5
	Shares of OBI Pharma, Inc.	Substantive related party of the Company	"	1,671,563	97,620	0.64	97,620	
	Shares of Brogent Technologies Inc.	The Company's subsidiary's representative of juridical person director is the representative of the juridical person director of the subsidiary	"	2,809,060	299,165	3.98	299,165	
	Shares of Pacific Resources Corporation		"	7,886	-	1.05	-	
	Shares of Asia Pacific Federation of Industry and Commerce		"	21,090	900	0.03	900	
Ruentex Engineering & Construction Co., Ltd.	Subordinated debts of Nan Shan Life Insurance	Associates of the Company	Amortized cost financial Assets - non-Current	-	60,000	-	-	
	Shares of Ruentex Development Co., Ltd.	The Company	Financial assets at fair value through other comprehensive income - non-current	9,713,457	340,943	0.34	340,943	
	Shares of Ruentex Industries Ltd.	The investment company which accounts for the Company using the equity method	"	50,241,066	2,969,247	4.55	2,969,247	
	Shares of OBI Pharma, Inc.	Substantive related party of the Company	"	291,478	17,023	0.11	17,023	
	Shares of Save & Safe Corporation		"	4,267,233	73,012	2.51	73,012	
	Shares of Powertec Electrical Chemicals Corp.		"	19,737,629	-	1.39	-	
Ruentex Materials Co., Ltd.	Subordinated debts of Nan Shan Life Insurance	Associates of the Company	Amortized cost financial Assets - non-Current	-	500,000	-	-	
	Shares of Ruentex Industries Ltd.	The investment company which accounts for the Company using the equity method	Financial assets at fair value through other comprehensive income - non-current	7,200,236	425,534	0.65	425,534	
	Shares of OBI Pharma, Inc.	Substantive related party of the Company		131,165	7,659	0.05	7,659	
Ruentex Interior Design Inc.	Shares of Ruentex Industries Ltd.	The investment company which accounts for the Company using the equity method		2,598,464	153,569	0.24	153,569	

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: For items measured at fair value, the carrying amount column shall reflect the amount after fair value adjustments. For items not measured at fair value, the carrying amount column shall reflect the original acquisition cost or amortized cost, net of accumulated impairment.

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".

Note 5: The provision of 5,000 thousand shares, a total of NT\$440,000 thousand was pledged to financial institutions for financing loans.

Note 6: The securities listed in this schedule are determined by the Company based on the principle of materiality.

Ruentex Development 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
For the Three Months Ended March 31, 2025

Attached Table 3

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

							general type of transaction and the reason for any such difference		Notes receivable/payable and accounts		
			Transaction conditions				(Note 1)		receivable/payable		
The company making the purchase			Purchase (sale) of		total purchases					receivable/payable and	Remarks
(sale) of goods	Name of counterparty	Relationship	goods	Amount	(sales) of goods	Credit period	Unit price	Credit period	Balance	accounts receivable/payable	(Note 2)
					(Note 4)					(Note 4)	
Ruentex Development Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Subsidiaries	Purchase of goods	\$ 1,089,477	55.23	Amount paid according to the prescribed period of the construction contract	Negotiated price	Amount paid according to the prescribed period of the construction contract	(\$ 465,315)	31.94	
Ruentex Development Co., Ltd.	Ruentex Interior Design Inc.	Subsidiaries	Purchase of goods	173,705	8.81	Amount paid according to the prescribed period of the construction contract	Negotiated price	The amount shall be paid in accordance with the term of the construction/sales contract.	(171,637)	11.78	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd.	The Company	Contract of construction	761,008	16.26	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.	465,315	21.32	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Interior Design Inc.	Subsidiaries	Contract of construction	144,278	3.08	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.	-	-	
Ruentex Engineering & Construction Co., Ltd.	Teh Hsin Enterprise Co., Ltd.	Associates	Purchase of goods	139,620	4.56	Collection is made in accordance with the payment terms specified in the purchase contract.	Negotiated price	Collection is made in accordance with the payment terms specified in the purchase contract.	(71,732)	2.42	
Ruentex Interior Design Inc.	Ruentex Development Co., Ltd.	The Company	Sales of goods/ Contract of construction/ Service revenue	167,419	29.07	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.	171,637	31.28	

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 Development Co., Ltd. and subsidiaries

Accounts receivable due from related parties amounting to at least \$100 million or 20% of the paid-in capital

March 31, 2025

Attached Table 4

Unit: NT\$ thousands

(Except as Otherwise Indicated)

The company recognized as receivables	Name of counterparty	Relationship	Balance of accounts receivable due from related parties	Turnover	Overdue accounts receivable due from related parties		Recovered amount in subsequent periods for accounts receivable due from related parties	Amount of loss allowance
					Amount	Approach to handling		
Ruentex Engineering & Construction Co.,	Ruentex Development Co., Ltd.	The Company	\$ 465,315	6.97	\$ -	-	\$ 256,269	\$ -
Ruentex Interior Design Inc.	Ruentex Development Co., Ltd.	The Company	171,637	5.39	-	-	139,736	-

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 Development Co., Ltd. and subsidiaries
Business relationships and significant intercompany transactions and amount between a parent and its subsidiary company, or between its subsidiaries
For the Three Months Ended March 31, 2025

Attached Table 5

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

No. (Note 1)	Name of the transaction party	Transaction counterparty	Relationship with the counterparty (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	
1	Ruentex Interior Design Inc.	Ruentex Development Co., Ltd.	2	Construction revenue/sales revenue	\$ 167,419	Notes 4 and 5	2.39
		"	2	Receivable	171,637	Notes 4	0.09
		"	2	Contract asset	14,210	Notes 4	0.01
2	Ruentex Engineering & Construction Co., Ltd.	Ruentex Innovative Development Co. Ltd.	3	Contract asset	32,573	Notes 4	0.02
		Ruentex Development Co., Ltd.	2	Construction contract revenue	761,008	Notes 4	10.85
		"	2	Receivable	465,315	Notes 4	0.24
		"	2	Contract asset	548,371	Notes 4	0.29
		Ruentex Innovative Development Co. Ltd.	3	Construction contract revenue	43,240	Notes 4	0.62
		"	3	Contract asset	90,748	Notes 4	0.05
3	Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc.	1	Construction contract revenue	144,278	Notes 4	2.33
		Ruentex Development Co., Ltd.	2	Construction revenue/sales revenue	12,299	Notes 4 and 5	0.18
		Ruentex Engineering & Construction Co., Ltd.	2	Sales revenue	43,130	Note 5	0.70
		"	2	Receivable	28,542	Notes 4	0.11
4	Ruentex Property Management & Maintenance Co., Ltd.	Ruentex Xu-Zhan Development co., Ltd.	3	Service revenue	16,928	Note 5	0.24
		"	3	Receivable	10,591	Note 5	0.01
		Ruentex Baiyi Co., Ltd.	3	Service revenue	12,465	Note 5	0.18

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). Please fill in "0" for the parent.

(2). Please fill in the Arabic numeral sequentially numbered starting from 1 for the subsidiaries according to the company type.

Note 2: There are three types of the relationship with the transaction party as follows. Please indicate the type only (In the case of the same transaction between the parent or subsidiaries, or between its subsidiaries, duplicate disclosure is not required. For example, in the case of the transaction between the parent or its subsidiary, if the parent has disclosed the information, the subsidiary does not require making a duplicate disclosure; In the case of the transaction between the subsidiaries, if one of the subsidiaries has disclosed the information, the other subsidiary does not require making a duplicate disclosure.):

(1). Parent and its subsidiary

(2). Subsidiary and its parent

(3). Subsidiary and the other 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: The price shall be set according to negotiations between the two parties, and the amount shall be collected according to the prescribed period of the construction contract.

Note 5: The price shall be set according to negotiations between the two parties.

Note 6: Transactions amounting to NTD 10,000 shall be disclosed. The information shall be also disclosed from the asset side and revenue side.

Ruentex Development Co., Ltd. and subsidiaries

The name of the invested company, the location and other relevant information (excluding the invested companies in China)

For the Three Months Ended March 31, 2025

Attached Table 6

Unit: NT\$ thousands

(Except as Otherwise Indicated)

Name of the investing company	Name of the investee company	Location	Main business items	Original investment amount		Holding at the end of period			Current profit and loss of the investee company	Gains and losses on investment recognized for the current period	Remark
				End of the current period	End of last year	Shares	Percentage	Carrying amount			
Ruentex Development Co., Ltd.	Ruentex Construction International (B.V.I.) Ltd.	British Virgin Islands (BVI)	General Investment	\$ 635,403	\$ 635,403	25,000,000	100.00	\$ 1,846,572	\$ 5,888	\$ 5,888	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Design and construction of interior decoration and garden greening	22,076	22,076	735,862	4.91	37,741	58,172	1,826	Sub-sub-subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Property Management & Maintenance Co., Ltd.	Taiwan	Mansions Management Services	15,998	15,998	2,828,650	100.00	49,434	2,956	2,956	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruen Fu Newlife Corp.	Taiwan	Senior Citizen's housing and buildings general affairs administration	18,000	18,000	1,800,000	60.00	13,253 (	1,766) (	1,060)	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Security Co., Ltd.	Taiwan	Private Security Service	49,000	49,000	6,900,000	100.00	107,048	5,073	5,073	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Construction & Development Co., Ltd.	Taiwan	Operating shopping center, self-operated counter, commercial real estate leasing, residential buildings and building rental and sale business development and Enterprise Management consultant Business	2,459,299	2,459,299	250,000,000	100.00	2,919,462	27,971	27,971	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Xu-Zhan Development co., Ltd.	Taiwan	Mall Operations and Commercial Property Leasing	1,600,000	1,600,000	160,000,000	80.00	7,009,610	61,582	49,265	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Baiyi Co., Ltd.	Taiwan	Mall Operations and Commercial Property Leasing	700,000	700,000	70,000,000	35.00	7,147,948	36,609	12,813	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Innovative Development Co. Ltd.	Taiwan	Congregate housing and commercial building rental and sale development and investment management consultant	1,988,000	1,988,000	198,800,000	70.00	5,203,409	26,533	18,573	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Taiwan	Contract of construction and civil engineering	3,052,215	3,052,215	101,356,438	39.14	2,283,442	549,428	195,879	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Materials Co., Ltd.	Taiwan	Building materials production and distribution	44,087	44,087	15,740,381	10.49	189,158	22,519	1,667	Sub-subsidiary of the Company
Ruentex Development Co., Ltd.	Gin-Hong Investment Co., Ltd.	Taiwan	General Investment	93,000	93,000	11,288,923	30.00	678,365 (	120) (	36)	The investee company accounted for under the equity method
Ruentex Development Co., Ltd.	Ruen Chen Investment Holdings Ltd.	Taiwan	General Investment	19,565,000	19,565,000	8,244,125,000	25.00	65,959,248	10,921,867	2,730,467	The investee company accounted for under the equity method (Note 3)

Name of the investing company	Name of the investee company	Location	Main business items	Original investment amount		Holding at the end of period			Current profit and loss of the investee company	Gains and losses on investment recognized for the current period	Remark
				End of the current period	End of last year	Shares	Percentage	Carrying amount			
Ruentex Development Co., Ltd.	Concord Greater China Ltd.	British Virgin Islands (BVI)	General Investment	\$ 409,489	\$ 409,489	10,593,334	25.56	\$ 810,121	\$ 9,171	\$ 2,344	The investee company accounted for under the equity method
Ruentex Development Co., Ltd.	Shing Yen Construction & Development Co., Ltd.	Taiwan	Congregate housing and commercial building rental and sale and operation of department store business	256,784	256,784	25,678,430	45.45	416,121	3,323	1,510	The investee company accounted for under the equity method
Ruentex Development Co., Ltd.	Sunny Friend Environmental Technology Co., Ltd.	Taiwan	Waste disposal and pollution prevention equipment manufacturing	774,308	774,308	33,370,156	25.67	1,422,947	166,330	42,696	The investee company accounted for under the equity method (Note 1)
Ruentex Development Co., Ltd.	Global Mobile Corp.	Taiwan	Type I Telecommunications Enterprises and Communication Engineering Industry	269,443	269,443	26,082,039	9.46	-	-	-	The investee company accounted for under the equity method
Ruentex Development Co., Ltd.	Ruentex Industries Ltd.	Taiwan	Spinning, Textiles, and Manufacturing, Processing and Sales of Garments	6,167,924	6,167,924	157,697,626	14.28	10,985,840	2,521,528	360,076	The investment company which accounts for the Company using the equity method (Note 2)
Ruentex Development Co., Ltd.	Nan Shan Life Insurance Co., Ltd.	Taiwan	Personal insurances, including life insurance, health insurance, damage insurance or annuity.	474,720	474,720	34,081,844	0.23	788,734	12,192,091	28,269	The investee company accounted for under the equity method
Ruentex Construction International (B.V.I.) Ltd.	Ruentex Construction International Ltd.	Hong Kong	General Investment	32,860	32,860	7,800,000	100.00	23,370	-	-	Sub-subsiidiary of the Company
Ruentex Construction International (B.V.I.) Ltd.	Sinopac Global Investment Ltd.	Cayman Islands	General Investment	640,770	640,770	19,500,000	49.06	742,177	12,002	5,888	The investee company accounted for under the equity method
Ruentex Engineering & Construction Co., Ltd.	Ruentex Materials Co., Ltd.	Taiwan	Building materials production and distribution	695,548	695,548	58,726,917	39.15	896,628	22,519	8,816	Sub-subsiidiary of the Company
Ruentex Engineering & Construction Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Design and Construction of Interior Decoration, Gardens, and Greenery	82,365	82,365	2,745,483	18.30	167,169	58,172	10,647	Sub-sub-subsiidiary of the Company
Ruentex Engineering & Construction Co., Ltd.	Ruen Yang Construction Co., Ltd.	Taiwan	Civil Engineering Projects	5,408	5,408	600,000	100.00	6,198	(56)	(56)	Sub-subsiidiary of the Company
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Design and Construction of Interior Decoration, Gardens, and Greenery	126,721	126,721	4,750,000	31.66	289,222	58,172	18,421	Sub-sub-subsiidiary of the Company
Ruentex Materials Co., Ltd.	Teh Hsin Enterprise Co., Ltd.	Taiwan	Construction materials manufacturing	1,564,348	1,564,348	14,969,837	35.00	1,611,632	99,044	34,668	The investee company accounted for under the equity method (Note 4)
Ruentex Construction & Development Co., Ltd.	Ruentex Industries Ltd.	Taiwan	Spinning, Textiles, and Manufacturing, Processing and Sales of Garments	178,920	178,920	3,324,989	0.30	323,761	2,521,528	-	The investment company which accounts for the Company using the equity method
Ruentex Construction & Development Co., Ltd.	Ruentex Baiyi Co., Ltd.	Taiwan	Mall Operations and Commercial Property Leasing	1,300,000	1,300,000	130,000,000	65.00	1,228,852	36,609	23,796	Subsiidiary of the Company
Ruentex Security Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Taiwan	Contract of construction and civil engineering	57,799	57,799	1,871,968	0.72	88,432	549,428	3,972	Subsiidiary of the Company
Ruentex Property Management & Maintenance Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Taiwan	Contract of construction and civil engineering	15,583	15,583	506,352	0.20	23,921	549,428	1,074	Subsiidiary of the Company

Note 1: The provision of 33,370 thousand shares, a total of NT\$1,422,947 thousand was pledged to financial institutions for financing loans.

Note 2: The provision of 64,607 thousand shares, a total of NT\$4,500,765 thousand was pledged to financial institutions for financing loans.

Note 3: The provision of 1,140,789 thousand shares, a total of NT\$9,127,173 thousand was pledged to financial institutions for financing loans.

Note 4: The provision of 14,970 thousand shares, a total of NT\$1,611,632 thousand was pledged to financial institutions for financing loans.