

Ruentex Interior Design Inc.
Financial Statements
For the Six Months Ended June 30, 2025 and
2024 and Independent Auditors' Review Report
(Stock Code: 6881)

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Ruentex Interior Design Inc.
Financial Statements for the Six Months Ended June 30, 2025 and 2024 and
Independent Auditors' Review Report
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Independent Auditors' Review Report

(114) Cai-Shen-Bao-Zi No. 25001257

To the Board of Directors and Shareholders of Ruentex Interior Design Inc.,

Foreword

We have reviewed the balance sheets of Ruentex Interior Design Inc. ("the Company") as of June 30, 2025 and 2024; the comprehensive income statements for the three and six months ended June 30, 2025 and 2024; the equity statements; and the cash flow statements for the six months ended June 30, 2025 and 2024, along with the notes to the financial statements, which include a summary of significant accounting policies. It is the responsibility of the management to prepare the 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 financial statements based on the review results.

Scope

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 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.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Company as of June 30, 2025 and 2024, as well as its financial performance for the three and six months ended June 30, 2025 and 2024, and its cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

PwC Taiwan

Certified Public Accountant

Huang, Chin-Lien

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
August 13, 2025

Ruentex Interior Design Inc.
Balance Sheets
June 30, 2025, December 31, 2024, and June 30, 2024

Unit: NT\$ thousands

Assets			Notes		June 30, 2025		December 31, 2024		June 30, 2024		
					Amount	%	Amount	%	Amount	%	
Current Assets											
1100	Cash and cash equivalents	6(1)	\$	460,951	24	\$	746,721	36	\$	749,220	44
1136	Financial assets measured by	6(1)(5) and									
	amortized cost - current	8		208,795	11		205,696	10		2,965	
1140	Contract asset - current	6(16) and 7		764,193	41		727,165	35		475,862	28
1150	Net bills receivable	6(2)		-	-		2,550	-		-	-
1160	Bills receivable - related parties -	6(2) and 7									
	net			14,043	1		48,729	2		20,643	1
1170	Net Accounts Receivable	6(2)		192,522	10		94,787	5		139,601	8
1180	Accounts receivable - related	6(2) and 7									
	parties - net			49,278	3		39,915	2		99,511	6
1200	Other receivables			1,496	-		1,804	-		358	-
1410	Prepayments			4,165	-		3,123	-		17,408	1
1470	Other Current Assets			5	-		4	-		4	-
11XX	Total current assets			1,695,448	90		1,870,494	90		1,505,572	88
Non-current assets											
1517	Financial assets at fair value	6(4)									
	through other comprehensive										
	income - non-current			139,018	8		188,129	9		177,215	10
1600	Property, plant, and equipment	6(6)		5,887	-		6,295	-		6,772	1
1755	Right-of-use assets	6(7)		6,639	-		10,622	1		14,606	1
1780	Intangible Assets	6(8)		407	-		41	-		76	-
1840	Deferred tax Assets			2,991	-		2,931	-		2,886	-
1900	Other non-current Assets	6(6)		40,980	2		2,155	-		2,155	-
15XX	Total non-current assets			195,922	10		210,173	10		203,710	12
1XXX	Total Assets		\$	1,891,370	100	\$	2,080,667	100	\$	1,709,282	100

(Continued)

Ruentex Interior Design Inc.
Balance Sheets
June 30, 2025, December 31, 2024, and June 30, 2024

Unit: NT\$ thousands

Liabilities and Equity		Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2130	Contract liabilities - current	6(16) and 7	\$ 14,245	1	\$ 54,683	3	\$ 34,738	2
2150	Notes payable		52,053	3	77,733	4	49,068	3
2160	Notes payable - related party	7	919	-	2,093	-	824	-
2170	Accounts Payable		889,933	47	918,828	44	640,206	37
2180	Accounts payable - related party	7	86,462	5	814	-	283	-
2200	Other payables	6(9)	43,946	2	68,331	3	180,451	11
2220	Other Payable - Related Party	7	79	-	78	-	73	-
2230	Income tax liabilities of current period		31,496	2	35,743	2	22,213	1
2280	Lease liabilities - current	6(7)	6,778	-	8,096	-	8,051	1
2300	Other Current liabilities	6(12)	3,977	-	4,001	-	3,157	-
21XX	Total Current Liabilities		1,129,888	60	1,170,400	56	939,064	55
Non-current liabilities								
2570	Deferred income tax liabilities		454	-	5,379	-	4,479	-
2580	Lease liabilities - non-current	6(7)	-	-	2,718	-	6,778	1
2600	Other non-Current liabilities	6(12)	16,327	1	15,915	1	16,327	1
25XX	Total Non-Current Liabilities		16,781	1	24,012	1	27,584	2
2XXX	Total Liabilities		1,146,669	61	1,194,412	57	966,648	57
Equity								
	Capital	6(13)						
3110	Share capital		150,000	8	150,000	7	150,000	9
	Capital surplus	6(14)						
3200	Capital surplus		403,635	21	426,135	21	426,135	25
	Retained earnings	6(15)						
3310	Legal reserve		59,242	3	36,737	2	36,737	2
3350	Undistributed earnings		127,750	7	225,123	11	91,516	5
	Other equities							
3400	Other equities		4,074	-	48,260	2	38,246	2
3XXX	Total Equity		744,701	39	886,255	43	742,634	43
Significant Contingent Liabilities and 9								
Unrecognized Commitments								
Significant subsequent events 11.								
3X2X	Total Liabilities and Equity		\$ 1,891,370	100	\$ 2,080,667	100	\$ 1,709,282	100

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

Chairman: Jean, Tsang-Jiunn

Manager: Lu, Yu-Huang

Accounting Manager: Lin, Hsiao-Feng

Ruentex Interior Design Inc.
Statements of Comprehensive Income
For the Six Months Ended June 30, 2025 and 2024

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

Item	Notes	April 1 to June 30, 2025		April 1 to June 30, 2024		January 1 to June 30, 2025		January 1 to June 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating Revenue	6(16) and 7	\$ 611,106	100	\$ 458,117	100	\$ 1,187,008	100	\$ 876,654	100
5000 Operation cost	6(3)(10) (17)(22) (23) and 7	(493,236)	(81)	(363,733)	(79)	(961,992)	(81)	(699,803)	(80)
5900 Gross profit		<u>117,870</u>	<u>19</u>	<u>94,384</u>	<u>21</u>	<u>225,016</u>	<u>19</u>	<u>176,851</u>	<u>20</u>
Operating Expenses	6(10)(22) (23) and 7								
6100 Selling expenses		(6,469)	(1)	(5,254)	(1)	(15,869)	(1)	(11,319)	(1)
6200 General & administrative expenses		(27,077)	(4)	(29,259)	(7)	(54,313)	(5)	(52,816)	(6)
6000 Total Operating Expenses		(33,546)	(5)	(34,513)	(8)	(70,182)	(6)	(64,135)	(7)
6900 Operating Profit		<u>84,324</u>	<u>14</u>	<u>59,871</u>	<u>13</u>	<u>154,834</u>	<u>13</u>	<u>112,716</u>	<u>13</u>
Non-operating Income and Expenses									
7100 Interest revenue	6(5)(18)	2,683	-	1,181	1	4,923	1	1,721	-
7010 Other income	6(19)	1	-	-	-	1	-	35	-
7020 Other gains and losses	6(20)	(120)	-	-	-	(120)	-	-	-
7050 Financial Costs	6(7) (21)	(21)	-	(43)	-	(47)	-	(91)	-
7000 Total non-operating income and expenses		<u>2,543</u>	<u>-</u>	<u>1,138</u>	<u>1</u>	<u>4,757</u>	<u>1</u>	<u>1,665</u>	<u>-</u>
7900 Net profit before tax		<u>86,867</u>	<u>14</u>	<u>61,009</u>	<u>14</u>	<u>159,591</u>	<u>14</u>	<u>114,381</u>	<u>13</u>
7950 Income tax expense	6(24)	(17,407)	(3)	(12,258)	(3)	(31,959)	(3)	(22,940)	(3)
8200 Net income of current period		<u>\$ 69,460</u>	<u>11</u>	<u>\$ 48,751</u>	<u>11</u>	<u>\$ 127,632</u>	<u>11</u>	<u>\$ 91,441</u>	<u>10</u>
Other comprehensive income									
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(4)	(\$ 14,551)	(2)	\$ 22,866	5	(\$ 49,111)	(4)	\$ 10,134	1
8349 Income tax relating to non-reclassified items	6(24)	<u>1,459</u>	<u>-</u>	<u>(2,398)</u>	<u>(1)</u>	<u>4,925</u>	<u>-</u>	<u>(1,063)</u>	<u>-</u>
8310 Total of items not to be reclassified into profit or loss		(13,092)	(2)	20,468	4	(44,186)	(4)	9,071	1
8300 Other comprehensive income (net)		<u>(\$ 13,092)</u>	<u>(2)</u>	<u>\$ 20,468</u>	<u>4</u>	<u>(\$ 44,186)</u>	<u>(4)</u>	<u>\$ 9,071</u>	<u>1</u>
8500 Total comprehensive income for this period		<u>\$ 56,368</u>	<u>9</u>	<u>\$ 69,219</u>	<u>15</u>	<u>\$ 83,446</u>	<u>7</u>	<u>\$ 100,512</u>	<u>11</u>
Earnings per share	6(25)								
9750 Basic earnings per share		<u>\$ 4.63</u>		<u>\$ 3.42</u>		<u>\$ 8.51</u>		<u>\$ 6.59</u>	
9850 Diluted earnings per share		<u>\$ 4.63</u>		<u>\$ 3.42</u>		<u>\$ 8.50</u>		<u>\$ 6.59</u>	

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

Chairman: Jean, Tsang-Jiunn

Manager: Lu, Yu-Huang

Accounting Manager: Lin, Hsiao-Feng

Ruentex Interior Design Inc.
Statements of Changes in Equity
For the Six Months Ended June 30, 2025 and 2024

Unit: NT\$ thousands

		Capital surplus				Retained earnings		Unrealized financial assets at fair value through other comprehensive income acquired	
		Share capital	Issued at premium	Stock options	Expired stock options	Legal reserve	Undistributed earnings	Income (Loss)	Total
Notes									
<u>January 1 to June 30, 2024</u>									
		\$ 135,000	\$ 160,742	\$ -	\$ 2,727	\$ 21,995	\$ 147,522	\$ 29,175	\$ 497,161
		-	-	-	-	-	91,441	-	91,441
		-	-	-	-	-	-	9,071	9,071
		-	-	-	-	-	91,441	9,071	100,512
Allocation and distribution of 2023 earnings:	6(15)								
Legal reserve		-	-	-	-	14,742	(14,742)	-	-
Cash dividends		-	-	-	-	-	(132,705)	-	(132,705)
Distribution of cash dividends from capital surplus	6(15)	-	(2,295)	-	-	-	-	-	(2,295)
Cash capital increase	6(13)	15,000	264,961	(1,735)	-	-	-	-	278,226
Share-based payment transactions	6(11)	-	-	1,735	-	-	-	-	1,735
Balance on June 30, 2024		\$ 150,000	\$ 423,408	\$ -	\$ 2,727	\$ 36,737	\$ 91,516	\$ 38,246	\$ 742,634
<u>January 1 to June 30, 2025</u>									
		\$ 150,000	\$ 423,408	\$ -	\$ 2,727	\$ 36,737	\$ 225,123	\$ 48,260	\$ 886,255
		-	-	-	-	-	127,632	-	127,632
		-	-	-	-	-	-	(44,186)	(44,186)
		-	-	-	-	-	127,632	(44,186)	83,446
Allocation and distribution of 2024 earnings:	6(15)								
Legal reserve		-	-	-	-	22,505	(22,505)	-	-
Cash dividends		-	-	-	-	-	(202,500)	-	(202,500)
Distribution of cash dividends from capital surplus	6(15)	-	(22,500)	-	-	-	-	-	(22,500)
Balance on June 30, 2025		\$ 150,000	\$ 400,908	\$ -	\$ 2,727	\$ 59,242	\$ 127,750	\$ 4,074	\$ 744,701

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

Chairman: Jean, Tsang-Jiunn

Manager: Lu, Yu-Huang

Accounting Manager: Lin, Hsiao-Feng

Ruentex Interior Design Inc.
Statements of Cash Flows
For the Six Months Ended June 30, 2025 and 2024

Unit: NT\$ thousands

	Notes	January 1 to June 30, 2025	January 1 to June 30, 2024
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 159,591	\$ 114,381
Adjustments			
Income and expenses			
Depreciation expense	6(6)(7)(22)	5,174	5,026
Amortization	6(8)(22)	34	99
Interest Cost	6(7)(21)	47	91
Interest revenue	6(18)	(4,923)	(1,721)
Remuneration cost of employee stock options	6(11)(23)	-	1,735
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contract asset		(37,028)	(110,863)
Notes receivable		2,550	-
Bills receivable - related parties		34,686	(19,035)
Accounts receivable		(97,735)	113,037
Account Receivable - Related Party		(9,363)	112,056
Other receivables		-	2,700
Prepayments		(1,042)	(12,067)
Other Current Assets		(1)	2
Net change in liabilities related to operating activities			
Contract liabilities		(40,438)	11,599
Notes payable		(25,680)	7,838
Notes payable - related party		(1,174)	824
Accounts Payable		(28,895)	114,121
Accounts payable - related party		85,648	(545)
Other payables		(24,456)	(23,480)
Other Payable - Related Party		1	(158)
Other Current liabilities		(24)	59
Other non-Current liabilities		412	(2,886)
Cash inflow from operations		17,384	312,813
Interest received		5,231	1,498
Interest paid		(47)	(91)
Income tax paid		(36,266)	(35,794)
Net cash generated from (used in) operating activities		(13,698)	278,426
<u>Cash flows from investing activities</u>			
Disposal of financial assets at amortized cost		295	18,780
Acquisition of financial assets at amortized cost		(3,394)	(4,785)
Real estate, plant and equipment acquired	6(26)	(712)	(352)
Acquisition of intangible assets	6(8)	(400)	-
Increase in refundable deposits		(22)	-
Increase in prepayments for buildings and land	6(6)	(38,803)	-
Net cash inflow (outflow) from investing activities		(43,036)	13,643
<u>Cash flows from financing activities</u>			
Principal elements of lease payments	6(7)(27)	(4,036)	(3,992)
Payment of cash dividends	6(15)	(225,000)	-
Cash capital increase	6(13)	-	278,226
Net cash generated from (used in) financing activities		(229,036)	274,234
Increase (decrease) in cash and cash equivalents of current period		(285,770)	566,303
Cash and cash equivalents, beginning of period		746,721	182,917
Cash and cash equivalents, end of period		<u>\$ 460,951</u>	<u>\$ 749,220</u>

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

Chairman: Jean, Tsang-Jiunn

Manager: Lu, Yu-Huang

Accounting Manager: Lin, Hsiao-Feng

Ruentex Interior Design Inc.
Notes to the Financial Statements

For the Six Months Ended June 30, 2025 and 2024 and Independent Auditors' Review Report

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

I. History and Organization

- (I) Ruentex Interior Design Inc. (hereafter referred to as "the Company") was established on November 14, 1991, and officially commenced operations on November 27 of the same year. It was originally named "Ruentex Design Engineering Co., Ltd." On December 26, 2012, following a resolution by the shareholders' meeting, the Company's name was changed to "Ruentex Interior Design Inc."
- (II) The Company's main business activities include interior decoration design and construction, garden design, design and decoration of exhibition and fairgrounds and sales, assembly, and import and export of furniture.
- (III) Ruentex Materials Co., Ltd. holds a 31.66% equity stake in the Company as the direct parent company of the Company; Ruentex Engineering & Construction Co., Ltd. holds an 18.30% equity stake as an intermediate parent company of the Company; Ruentex Development Co., Ltd. holds a 4.91% equity stake as the ultimate parent company.
- (IV) The Company's shares have been listed and traded on the Taipei Exchange (TPEX) since May 21, 2024.

II. Date and Procedure for Approval of Financial Statements

The financial statements were authorized for issuance by the Company's Board of Directors on August 13, 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 to the Company's financial condition and operating result based on the Company's assessment.

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

New standards, interpretations and amendments endorsed by FSC effective from 2026 are as follows:

<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
Amendments to IFRS 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
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
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 Company’s financial condition and operating result based on the Company’s assessment:

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments”

It has been updated that the fair values of equity instruments designated at fair value through other comprehensive income, through an irrevocable election, should be disclosed on a per-category basis without the 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 terms of the fair value gain or loss related to the investments that were derecognized during the reporting period, the fair value gain and loss related to the investments still held at the end of the reporting period, and the cumulative gains and losses from investments derecognized during the reporting period and transferred to equity.

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

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

<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by the International Accounting Standards Board (IASB)
IFRS 18 "Presentation and Disclosure in of Financial Statements"	January 1, 2027
IFRS 19 “Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Except for the following, the above standards and interpretations have no significant impact on the Company’s financial condition and operating result based on the Company’s assessment:

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

(I) Compliance statement

1. These 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 financial statements shall be read in conjunction with the 2024 financial statements.

(II) Basis of preparation

1. Except the following material items, these financial statements have been prepared under the historical cost convention:
 - (1) Financial assets at fair value through other comprehensive income.
 - (2) Defined benefit liabilities recognized based on the net amount of pension fund Assets less present value of defined benefit obligation.

2. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(III) Employee benefits

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.

(IV) 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 financial statements.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Petty cash	\$ 30	\$ 30	\$ 30
Checking deposits	42,827	3,768	2,994
Demand deposits	52,092	108	11,894
Time deposits	352,785	351,136	150,854
Cash equivalents - Bonds	13,217	391,679	583,448
under repurchase agreements			
Total	<u>\$ 460,951</u>	<u>\$ 746,721</u>	<u>\$ 749,220</u>

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

2. The Company's restricted cash and cash equivalents as of June 30, 2025, December 31, 2024, and June 30, 2024, due to business contracts and project performance bonds, were NT\$152,460, NT\$151,449, and NT\$1,880, respectively, and were classified as financial assets measured at amortized cost – current. Please refer to Note 6(e) for further details.

(II) Notes and accounts receivable

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Notes receivable	\$ -	\$ 2,550	\$ -
Notes Receivable – related party	14,043	48,729	20,643
	<u>\$ 14,043</u>	<u>\$ 51,279</u>	<u>\$ 20,643</u>
Accounts receivable	\$ 192,522	\$ 94,787	\$ 139,601
Accounts receivable - related party	49,278	39,915	99,511
	<u>\$ 241,800</u>	<u>\$ 134,702</u>	<u>\$ 239,112</u>

1. The aging analysis of notes receivable (including related parties) and accounts receivable (including related parties) is as follows:

	<u>June 30, 2025</u>		<u>December 31, 2024</u>		<u>June 30, 2024</u>	
	<u>Notes</u>	<u>Accounts</u>	<u>Notes</u>	<u>Accounts</u>	<u>Notes</u>	<u>Accounts</u>
	<u>receivable</u>	<u>receivable</u>	<u>receivable</u>	<u>receivable</u>	<u>receivable</u>	<u>receivable</u>
Not overdue	\$ 14,043	\$ 241,800	\$ 51,279	\$ 134,702	\$ 20,643	\$ 239,112

The aging analysis was based on past due date.

2. The balances of the notes receivable and accounts receivable as of June 30, 2025, December 31, 2024, and June 30, 2024, were incurred by the clients' contracts; also as of January 1, 2024, the outstanding balance of receivables from clients' contracts were NT\$465,813.
3. The Company's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, was NT\$14,043, NT\$51,279, and NT\$20,643 for notes receivable as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively; and NT\$241,800, NT\$134,702, and NT\$239,112 for accounts receivable as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively.
4. For credit risk information related to accounts receivable, please refer to Note 12(2).

(III) Inventories

The cost of inventories recognized as expense for the Current period is as follows:

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Cost of inventories sold	\$ 4,804	\$ 6,805
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Cost of inventories sold	\$ 5,438	\$ 22,122

(IV) Financial assets at fair value through other comprehensive income acquired - non-Current

<u>Item</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Non-current items:			
Equity Instrument			
Shares of TWSE listed companies	\$ 134,490	\$ 134,490	\$ 134,490
Adjustments for valuation	<u>4,528</u>	<u>53,639</u>	<u>42,725</u>
Total	<u>\$ 139,018</u>	<u>\$ 188,129</u>	<u>\$ 177,215</u>

1. The Company 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\$139,018, NT\$188,129 and NT\$177,215 as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively.

2. Detail of the financial assets at fair value through other comprehensive income recognized under the comprehensive (loss) income is as follows:

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Changes in fair value recognized as other comprehensive income	(\$ <u>14,551</u>)	\$ <u>22,866</u>
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>

<u>Equity instruments at fair value through other comprehensive income</u>		
Changes in fair value recognized as other comprehensive income	(\$ <u>49,111</u>)	\$ <u>10,134</u>

3. The maximum exposure to credit risk for the Company's financial assets at fair value through other comprehensive income, before consideration of associated collateral held and other credit enhancements, was NT\$139,018, NT\$188,129, and NT\$177,215 as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively.

4. The financial assets measured at fair value through other comprehensive income held by the Company have not been pledged.

5. For information on the price risk of financial assets at fair value through other comprehensive income, please refer to Note 12(2).

(V) Financial assets measured by amortized cost - current

<u>Item</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Current items:			
Guarantee deposits paid	\$ 5,984	\$ 4,247	\$ 1,085
Time deposits pledged	152,460	151,449	1,880
Demand deposit with original maturity date for more than three months	<u>50,351</u>	<u>50,000</u>	<u>-</u>
Total	<u>\$ 208,795</u>	<u>\$ 205,696</u>	<u>\$ 2,965</u>

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

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Interest revenue	<u>\$ 776</u>	<u>\$ 6</u>
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Interest revenue	<u>\$ 1,524</u>	<u>\$ 11</u>

2. The Company's maximum exposure to credit risk for financial assets measured at amortized cost, before consideration of associated collateral held and other credit enhancements, was NT\$208,795, NT\$205,696, and NT\$2,965 as of June 30, 2025, December 31, 2024, and June 30, 2024, respectively.
3. Details of the Company's financial assets at amortized cost pledged to others as collateral are provided in Note 8.
4. For information on the credit risk of financial assets at amortized cost, please refer to Note 12(2). The trading counterparties of the Company's certificates of deposit are financial institutions with great credit ratings, so the likelihood of default is estimated to be very low.

(VI) Property, plant, and equipment

	<u>2025</u>			
	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
January 1				
Cost	\$ 3,385	\$ 10,894	\$ 685	\$ 14,964
Accumulated depreciation	(799)	(7,355)	(515)	(8,669)
	<u>\$ 2,586</u>	<u>\$ 3,539</u>	<u>\$ 170</u>	<u>\$ 6,295</u>
January 1	\$ 2,586	\$ 3,539	\$ 170	\$ 6,295
Addition	-	662	121	783
Costs of disposal	-	(190)	-	(190)
Accumulated depreciation on disposal date	-	190	-	190
Depreciation expense	(282)	(852)	(57)	(1,191)
June 30	<u>\$ 2,304</u>	<u>\$ 3,349</u>	<u>\$ 234</u>	<u>\$ 5,887</u>
June 30				
Cost	\$ 3,385	\$ 11,366	\$ 806	\$ 15,557
Accumulated depreciation	(1,081)	(8,017)	(572)	(9,670)
	<u>\$ 2,304</u>	<u>\$ 3,349</u>	<u>\$ 234</u>	<u>\$ 5,887</u>

	<u>2024</u>			
	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
January 1				
Cost	\$ 3,385	\$ 9,597	\$ 685	\$ 13,667
Accumulated depreciation	(235)	(5,849)	(401)	(6,485)
	<u>\$ 3,150</u>	<u>\$ 3,748</u>	<u>\$ 284</u>	<u>\$ 7,182</u>
January 1	\$ 3,150	\$ 3,748	\$ 284	\$ 7,182
Addition	-	632	-	632
Depreciation expense	(282)	(703)	(57)	(1,042)
June 30	<u>\$ 2,868</u>	<u>\$ 3,677</u>	<u>\$ 227</u>	<u>\$ 6,772</u>
June 30				
Cost	\$ 3,385	\$ 10,229	\$ 685	\$ 14,299
Accumulated depreciation	(517)	(6,552)	(458)	(7,527)
	<u>\$ 2,868</u>	<u>\$ 3,677</u>	<u>\$ 227</u>	<u>\$ 6,772</u>

1. None of the Company's property, plants, and equipment are used for pledge.
2. The Company's Board of Directors approved the signing of a real estate transaction contract with non-related parties in June 2025 to acquire the land and buildings in the Chang'an Section, Zhongshan District, Taipei City, for a price of NT\$96,780. As of June 30, 2025, the amount paid in accordance with the contract was NT\$38,700, and the transaction cost was NT\$103. The total was NT\$38,803 (booked in the "other non-current assets" account). The remaining amount was paid on July 11, 2025, and the transfer was completed.
3. The Company's Board of Directors approved the signing of a real estate transaction contract with a non-related party on August 13, 2025 to acquire the land and buildings in Chang'an Section, Zhongshan District, Taipei City, with a price of NT\$31,500.

(VII) Lease transactions - lessees

1. The underlying assets leased by the Company are offices, and the lease terms are normally 3 to 5 years. 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 merger, among other forms.
2. The information of the right-of-use assets are as the following:

	<u>2025 Buildings</u>	<u>2024 Buildings</u>
January 1		
Cost	\$ 37,901	\$ 37,901
Accumulated depreciation	(27,279)	(19,311)
	<u>\$ 10,622</u>	<u>\$ 18,590</u>
January 1	\$ 10,622	\$ 18,590
Depreciation expense	(3,983)	(3,984)
June 30	<u>\$ 6,639</u>	<u>\$ 14,606</u>
June 30		
Cost	\$ 37,901	\$ 37,901
Accumulated depreciation	(31,262)	(23,295)
	<u>\$ 6,639</u>	<u>\$ 14,606</u>

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Total amount of lease liabilities	\$ 6,778	\$ 10,814	\$ 14,829
Less: Due within one year (listed as lease liabilities - current)	(6,778)	(8,096)	(8,051)
	<u>\$ -</u>	<u>\$ 2,718</u>	<u>\$ 6,778</u>

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

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	\$ 21	\$ 43
Expenses of short-term lease contracts	\$ 184	\$ 168
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	\$ 47	\$ 91
Expenses of short-term lease contracts	\$ 388	\$ 320

5. The Company's total cash outflows for leases were NT\$4,471 and NT\$4,403 for the six months ended June 30, 2025 and 2024. These amounts include lease liabilities interest expenses of NT\$47 and NT\$91, short-term lease contract expenses of NT\$388 and NT\$320, and lease principal repayments of NT\$4,036 and NT\$3,992, respectively.

(VIII) Intangible Assets

	<u>2025</u>	<u>2024</u>
Computer software:		
January 1		
Cost	\$ 4,950	\$ 7,742
Accumulated amortization	(4,909)	(7,567)
	<u>\$ 41</u>	<u>\$ 175</u>
January 1	\$ 41	\$ 175
Addition	400	-
Cost of derecognition	-	(2,792)
Accumulated amortization on the derecognition date	-	2,792
Amortization	(34)	(99)
June 30	<u>\$ 407</u>	<u>\$ 76</u>
June 30		
Cost	\$ 5,350	\$ 4,950
Accumulated amortization	(4,943)	(4,874)
	<u>\$ 407</u>	<u>\$ 76</u>

(IX) Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Salary and wages payable	\$ 31,247	\$ 55,420	\$ 26,982
Employee compensation payable	4,424	4,669	3,012
Business tax payable	3,681	3,900	10,596
Payables for equipment	71	-	280
Dividends payable	-	-	135,000
Other charges payable	4,523	4,342	4,581
	<u>\$ 43,946</u>	<u>\$ 68,331</u>	<u>\$ 180,451</u>

(X) Pensions

- 1.(1) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. In addition, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.
- (2) For the three and six months ended June 30, 2025 and 2024, the Company's pension expenses recognized under the above pension plan were NT\$27, NT\$32, NT\$54 and NT\$65, respectively.
- (3) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2025 amounts to NT\$153.
2. (1) The Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (2) For the three and six months ended June 30, 2025 and 2024, pension expenses were NT\$1,502, NT\$1,396, NT\$3,075 and NT\$2,844, respectively.

(XI) Share-based payment

1. The share-based payment agreement of the Company as of December 31, 2024 and June 30, 2024:

<u>Type of agreement</u>	<u>Grant date</u>	<u>Quantity granted (shares)</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 (NTD)</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 June 30	-	-

3. For the Company'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 yield</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

4. Expenses arising from share-based payment transactions are as follows:

	<u>January 1 to June 30, 2024</u>
Equity settled	\$ 1,735

(XII) Provisions

	<u>2025</u>	<u>Warranty provision</u>	<u>2024</u>
January 1	\$	12,639	\$ 11,329
Provisions newly recognized for the current period		1,120	642
Provisions utilized during the current period	(	447)	(868)
June 30	\$	13,312	\$ 11,103

An analysis of provisions is as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
current	\$ 3,830	\$ 3,944	\$ 2,953
non-current	9,482	8,695	8,150
Total	\$ 13,312	\$ 12,639	\$ 11,103

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

(XIII) Capital

1. The number of outstanding shares of the Company as of June 30, 2025 and 2024 was both 15,000 thousand. The number of outstanding shares of the Company's common stock at the beginning and end of the period was adjusted as follows:

	<u>2025</u>	<u>2024</u>
January 1	15,000 thousand shares	13,500 thousand shares
Cash capital increase	-	1,500 thousand shares
June 30	<u>15,000 thousand shares</u>	<u>15,000 thousand shares</u>

2. As of June 30, 2025, the Company's authorized capital was NT\$300,000, and the paid-in capital was NT\$150,000 with a par value of NT\$10 per share; all shares are issued as ordinary shares. All proceeds from shares issued have been collected.
3. In order to cooperate with the public underwriting before the Company's initial listing on Taipei Exchange, 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.

(XIV) 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.

(XV) Retained earnings

1. As per the Articles of Incorporation, if the Company has accumulated losses, an equivalent amount from the profit earned shall be reserved to make up for losses. The Current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses and then 10% of the remaining amount shall be set aside as legal reserve. If there are still remaining earnings, the remainder shall be combined with the prior year's accumulated retained earnings, and the board of directors shall establish earnings distribution proposal for submission to the shareholders' meeting for resolution on the retention or distribution thereof.

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) The 2024 and 2023 earnings distribution proposals of the Company were approved by the shareholders' meetings on May 7, 2025, and May 27, 2024. The details are as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Amount</u>	<u>Dividend per share (NTD)</u>	<u>Amount</u>	<u>Dividend per share (NTD)</u>
Legal reserve	\$ 22,505		\$ 14,742	
Cash dividends	<u>202,500</u>	\$ 13.50	<u>132,705</u>	\$ 9.83
Total	<u>\$ 225,005</u>		<u>\$ 147,447</u>	

- (2) According to the approval of the proposal made by the Shareholders' meeting on May 27, 2024, the Company allotted NT\$0.17 per share from capital surplus - issued at premium in a total amount of NT\$2,295.
- (3) According to the approval of the proposal made by the Shareholders Meeting on May 7, 2025, the Company allotted NT\$1.50 per share from capital surplus - issued at premium in a total amount of NT\$22,500.
4. The Company conducted a cash capital increase in May 2024, with the change registration for this cash capital increase completed on June 19, 2024. Thus, the cash dividend was adjusted to NT\$8.847 per share. A cash distribution of NT\$0.153 per share was made from capital surplus - issued at premium, totaling NT\$9 per share.

(XVI) Operating Revenue

	<u>April 1 to June 30, 2025</u>		<u>April 1 to June 30, 2024</u>	
Revenue from contracts with customers:				
Revenue from construction contracts	\$	599,145	\$	442,677
Repair revenue		1,842		4,576
Revenue from contract for service		4,432		3,210
Product sales revenue		<u>5,687</u>		<u>7,654</u>
	\$	<u>611,106</u>	\$	<u>458,117</u>
	<u>January 1 to June 30, 2025</u>		<u>January 1 to June 30, 2024</u>	
Revenue from contracts with customers:				
Revenue from construction contracts	\$	1,165,728	\$	829,731
Repair revenue		3,843		7,576
Revenue from contract for service		11,004		14,625
Product sales revenue		<u>6,433</u>		<u>24,722</u>
	\$	<u>1,187,008</u>	\$	<u>876,654</u>

1. Detail of customer contract income

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

	Interior Decoration	Sale of Construction	
April 1 to June 30, 2025	Design Division	Materials Division	Total
Departmental revenue	\$ 605,419	\$ 5,687	\$ 611,106
Timing of revenue recognition			
Revenue recognized at a point in time	\$ -	\$ 5,687	\$ 5,687
Revenue recognized over time	605,419	-	605,419
	\$ 605,419	\$ 5,687	\$ 611,106
Product Category			
Revenue from construction contracts	\$ 599,145	\$ -	\$ 599,145
Repair revenue	1,842	-	1,842
Revenue from contract for service	4,432	-	4,432
Product sales revenue	-	5,687	5,687
	\$ 605,419	\$ 5,687	\$ 611,106

	Interior Decoration	Sale of Construction	
April 1 to June 30, 2024	Design Division	Materials Division	Total
Departmental revenue	\$ 450,463	\$ 7,654	\$ 458,117
Timing of revenue recognition			
Revenue recognized at a point in time	\$ -	\$ 7,654	\$ 7,654
Revenue recognized over time	450,463	-	450,463
	\$ 450,463	\$ 7,654	\$ 458,117
Product Category			
Revenue from construction contracts	\$ 442,677	\$ -	\$ 442,677
Repair revenue	4,576	-	4,576
Revenue from contract for service	3,210	-	3,210
Product sales revenue	-	7,654	7,654
	\$ 450,463	\$ 7,654	\$ 458,117

	<u>Interior Decoration Design</u>	<u>Sale of Construction</u>	
	<u>Division</u>	<u>Materials Division</u>	<u>Total</u>
January 1 to June 30, 2025			
Departmental revenue	\$ 1,180,575	\$ 6,433	\$ 1,187,008
Timing of revenue recognition			
Revenue recognized at a point in time	\$ -	\$ 6,433	\$ 6,433
Revenue recognized over time	1,180,575	-	1,180,575
	<u>\$ 1,180,575</u>	<u>\$ 6,433</u>	<u>\$ 1,187,008</u>
Product Category			
Revenue from construction contracts	\$ 1,165,728	\$ -	\$ 1,165,728
Repair revenue	3,843	-	3,843
Revenue from contract for service	11,004	-	11,004
Product sales revenue	-	6,433	6,433
	<u>\$ 1,180,575</u>	<u>\$ 6,433</u>	<u>\$ 1,187,008</u>
	<u>Interior Decoration Design</u>	<u>Sale of Construction</u>	
	<u>Division</u>	<u>Materials Division</u>	<u>Total</u>
January 1 to June 30, 2024			
Departmental revenue	\$ 851,932	\$ 24,722	\$ 876,654
Timing of revenue recognition			
Revenue recognized at a point in time	\$ -	\$ 24,722	\$ 24,722
Revenue recognized over time	851,932	-	851,932
	<u>\$ 851,932</u>	<u>\$ 24,722</u>	<u>\$ 876,654</u>
Product Category			
Revenue from construction contracts	\$ 829,731	\$ -	\$ 829,731
Repair revenue	7,576	-	7,576
Revenue from contract for service	14,625	-	14,625
Product sales revenue	-	24,722	24,722
	<u>\$ 851,932</u>	<u>\$ 24,722</u>	<u>\$ 876,654</u>

2. As of June 30, 2025, and 2024, for the signed construction contracts and service contracts, the aggregated amounts of the transaction allocated to unsatisfied contract performance and the estimated recognition years are as follows:

<u>Year</u>	<u>Year of the estimated recognized revenues</u>	<u>Amounts of the signed contracts</u>
2025	2025-2026	\$ 1,302,490
2024	2024-2025	\$ 1,395,685

3. Contract assets and contract liabilities

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

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	<u>January 1, 2024</u>
Contract asset:				
Contract asset - Retainable receivable (including related parties)	\$ 68,962	\$ 49,979	\$ 38,101	\$ 11,373
Contract asset - Construction contract	684,794	666,439	434,280	350,985
Contract asset - Service contract	10,437	10,747	3,481	2,641
Total	<u>\$ 764,193</u>	<u>\$ 727,165</u>	<u>\$ 475,862</u>	<u>\$ 364,999</u>
Contract liability:				
Contract liability - Construction contract	\$ 13,193	\$ 53,581	\$ 34,528	\$ 22,046
Contract liability - Contract for service	1,052	1,102	210	1,093
Total	<u>\$ 14,245</u>	<u>\$ 54,683</u>	<u>\$ 34,738</u>	<u>\$ 23,139</u>

4. The contract assets/contract liabilities recognized in the aforementioned construction contracts and service contracts June 30, 2025, December 31, 2024, June 30, 2024, and January 1, 2024 are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	<u>January 1, 2024</u>
Total costs incurred plus profits recognized	\$ 2,878,262	\$ 2,048,896	\$ 2,158,167	\$ 1,510,873
Less: Amount requested for progress of works and services	(2,197,276)	(1,426,393)	(1,755,144)	(1,180,386)
Status of net assets and liabilities of contracts	<u>\$ 680,986</u>	<u>\$ 622,503</u>	<u>\$ 403,023</u>	<u>\$ 330,487</u>

(XVII) Operation cost

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Cost of construction contract	\$ 484,804	\$ 352,539
Repair costs	1,004	2,498
Cost of contract for service	2,624	1,891
Cost of sales of goods	4,804	6,805
	<u>\$ 493,236</u>	<u>\$ 363,733</u>
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Cost of construction contract	\$ 948,013	\$ 663,115
Repair costs	2,198	4,825
Cost of contract for service	6,343	9,741
Cost of sales of goods	5,438	22,122
	<u>\$ 961,992</u>	<u>\$ 699,803</u>

(XVIII) Interest revenue

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Interest on cash in banks	\$ 1,907	\$ 1,175
Interest income from the financial assets measured at amortized costs	776	6
	<u>\$ 2,683</u>	<u>\$ 1,181</u>
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Interest on cash in banks	\$ 3,399	\$ 1,707
Interest income from the financial assets measured at amortized costs	1,524	11
Other interest income	-	3
	<u>\$ 4,923</u>	<u>\$ 1,721</u>

(XIX) Other income

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Other income	\$ 1	\$ -
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Other income	\$ 1	\$ 35

(XX) Other gains and losses

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Other losses	\$ 120	\$ -
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Other losses	\$ 120	\$ -

(XXI) Financial Costs

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Interest Cost		
Lease liabilities	\$ 21	\$ 43
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Interest Cost		
Lease liabilities	\$ 47	\$ 91

(XXII) Additional information on the nature of costs and expenses

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Materials purchased and engineering cost for current period	\$ 474,850	\$ 345,851
Employee benefit expense	45,677	42,094
Depreciation expenses for property, plant and equipment	603	527
Depreciation expenses for right-of-use assets	1,992	1,992
Amortization expenses of intangible assets	23	49
Other expense	3,637	7,733
Operating costs and expenses	<u>\$ 526,782</u>	<u>\$ 398,246</u>

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Materials purchased and engineering cost for current period	\$ 903,801	\$ 648,897
Employee benefit expense	116,001	99,198
Depreciation expenses for property, plant and equipment	1,191	1,042
Depreciation expenses for right-of-use assets	3,983	3,984
Amortization expenses of intangible assets	34	99
Other expense	7,164	10,718
Operating costs and expenses	<u>\$ 1,032,174</u>	<u>\$ 763,938</u>
(XXIII) <u>Employee benefit expense</u>		
	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Wages and salaries	\$ 38,135	\$ 33,962
Remuneration cost of employee stock options	-	1,735
Labor and Health Insurance costs	2,881	2,573
Pension expense	1,529	1,428
Directors' Remuneration	783	723
Other employment fees	2,349	1,673
	<u>\$ 45,677</u>	<u>\$ 42,094</u>
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Wages and salaries	\$ 98,995	\$ 83,059
Remuneration cost of employee stock options	-	1,735
Labor and Health Insurance costs	7,289	6,367
Pension expense	3,129	2,909
Directors' Remuneration	1,671	1,611
Other employment fees	4,917	3,517
	<u>\$ 116,001</u>	<u>\$ 99,198</u>

1. In accordance with the Company's Articles of Incorporation, if the Company has a profit for the year after deducting accumulated losses, it must allocate at least 1% of the remaining profit as employee remuneration, with no less than 35% of the total remuneration allocated to junior employees. The Board of Directors is authorized to determine director remuneration based on each director's level of participation and the value contributed to the Company's operations, regardless of operating profit or loss. The amount may be negotiated in accordance with industry norms.
2. (1) For the three and six months ended June 30, 2025 and 2024, the Company's employee remuneration was estimated at NT\$877, NT\$616, NT\$1,612 and NT\$1,155, respectively. The aforementioned amounts were estimated at 1% of the year's profitability and accounted for under salary expenses.
- (2) Employees' compensation of 2024 as resolved by the Board of Directors was consistent with the amount recognized in the 2024 financial statements. The employee remuneration for 2024 will be distributed in the form of cash. As of August 13, 2025, the actual distribution has not yet been made.

- (3) 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.

(XXIV) Income tax

1. Income tax expense

(1) Components of Income tax expense:

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Current income tax:		
Income tax occurred in the current period	\$ 17,466	\$ 12,252
Additional tax levied on the undistributed earnings	<u>2</u>	<u>-</u>
Total income tax for current period	<u>17,468</u>	<u>12,252</u>
Deferred income tax:		
Origination and reversal of temporary differences	(<u>61</u>)	<u>6</u>
Total deferred income tax	(<u>61</u>)	<u>6</u>
Income tax expense	<u>\$ 17,407</u>	<u>\$ 12,258</u>
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Current income tax:		
Income tax occurred in the current period	\$ 32,017	\$ 22,361
Additional tax levied on the undistributed earnings	<u>2</u>	<u>-</u>
Total income tax for current period	<u>32,019</u>	<u>22,361</u>
Deferred income tax:		
Origination and reversal of temporary differences	(<u>60</u>)	<u>579</u>
Total deferred income tax	(<u>60</u>)	<u>579</u>
Income tax expense	<u>\$ 31,959</u>	<u>\$ 22,940</u>

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

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Changes in fair value through other comprehensive income	\$ <u>1,459</u>	(\$ <u>2,398</u>)
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Changes in fair value through other comprehensive income	\$ <u>4,925</u>	(\$ <u>1,063</u>)

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

(XXV) Earnings per share

		<u>April 1 to June 30, 2025</u>	
		<u>Number of shares</u>	<u>Earnings per share</u>
		<u>outstanding (thousand</u>	<u>(NTD)</u>
		<u>shares) at the end of</u>	
	<u>After-tax amount</u>	<u>the period</u>	
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders	<u>\$ 69,460</u>	<u>15,000</u>	<u>\$ 4.63</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders	<u>\$ 69,460</u>	<u>15,000</u>	
Impact of potential diluted common shares on employee remuneration	<u>-</u>	<u>7</u>	
Effects of the net income attributable to common shareholders plus potential common stocks	<u>\$ 69,460</u>	<u>15,007</u>	<u>\$ 4.63</u>
<u>April 1 to June 30, 2024</u>			
		<u>Weighted average</u>	<u>Earnings per share</u>
		<u>number of outstanding</u>	<u>(NTD)</u>
		<u>shares (thousand</u>	
		<u>shares)</u>	
	<u>After-tax amount</u>		
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders	<u>\$ 48,751</u>	<u>14,242</u>	<u>\$ 3.42</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders	<u>\$ 48,751</u>	<u>14,242</u>	
Impact of potential diluted common shares on employee remuneration	<u>-</u>	<u>5</u>	
Effects of the net income attributable to common shareholders plus potential common stocks	<u>\$ 48,751</u>	<u>14,247</u>	<u>\$ 3.42</u>
<u>January 1 to June 30, 2025</u>			
		<u>Number of shares</u>	<u>Earnings per share</u>
		<u>outstanding (thousand</u>	<u>(NTD)</u>
		<u>shares) at the end of</u>	
		<u>the period</u>	
	<u>After-tax amount</u>		
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders	<u>\$ 127,632</u>	<u>15,000</u>	<u>\$ 8.51</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders	<u>\$ 127,632</u>	<u>15,000</u>	
Impact of potential diluted common shares on employee remuneration	<u>-</u>	<u>12</u>	
Effects of the net income attributable to common shareholders plus potential common stocks	<u>\$ 127,632</u>	<u>15,012</u>	<u>\$ 8.50</u>
<u>January 1 to June 30, 2024</u>			
		<u>Weighted average</u>	<u>Earnings per</u>
		<u>number of outstanding</u>	<u>share (NTD)</u>
		<u>shares (thousand shares)</u>	
	<u>After-tax amount</u>		
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders	<u>\$ 91,441</u>	<u>13,871</u>	<u>\$ 6.59</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders	<u>\$ 91,441</u>	<u>13,871</u>	
Impact of potential diluted common shares on employee remuneration	<u>-</u>	<u>9</u>	
Effects of the net income attributable to common shareholders plus potential common stocks	<u>\$ 91,441</u>	<u>13,880</u>	<u>\$ 6.59</u>

(XXVI) Cash flow supplementary information

1. Investing activities paid partially by cash:

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Acquisition of property, plant and equipment	\$ 783	\$ 632
Less: Payables for equipment at the end of the period	(71)	(280)
Cash payments for current period	<u>\$ 712</u>	<u>\$ 352</u>

2. Financing activities that do not affect cash flow:

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
The Company declares that the cash dividends have not been paid out.	<u>\$ -</u>	<u>\$ 135,000</u>

(XXVII) Changes of liabilities from financing activities

	<u>Lease liabilities - current and non-current</u>	
	<u>2025</u>	<u>2024</u>
January 1	\$ 10,814	\$ 18,821
Changes of the financing cash flows	(4,036)	(3,992)
June 30	<u>\$ 6,778</u>	<u>\$ 14,829</u>

VII. Related Party Transactions

(I) Parent Company and the ultimate controller

The Company is controlled by Ruentex Materials Co., Ltd. which holds 31.66% of the Company's shares. The Company's intermediate parent company is Ruentex Engineering & Construction Co., Ltd. and ultimate parent company is Ruentex Development Co., Ltd.

(II) Names of related parties and relationship

<u>Name of the related party</u>	<u>Relationship with the Company</u>
Ruentex Development Co., Ltd. (Ruentex Development)	Ultimate parent company of the Company
Ruentex Engineering & Construction Co., Ltd. (Ruentex Engineering & Construction)	Intermediate parent company of the Company
Ruentex Materials Co., Ltd.	Direct parent company of the Company
Ruentex Property Management and Maintenance Co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Company)
Ruentex Construction & Development Co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Company)
Ruentex Innovative Development Co., Ltd. (Ruentex Innovative Development)	Fellow subsidiary (A subsidiary of the ultimate parent company of the Company)
Ruentex Industries Ltd.	Other related parties (investees accounted for using the equity method by the ultimate parent company of the Company)
Shing Yen Construction & Development Co., Ltd.	Other related parties (investees accounted for using the equity method by the ultimate parent company of the Company)
Nan Shan Life Insurance Co., Ltd.	Other related parties (investees accounted for using the equity method by the ultimate parent company of the Company)
Nan Shan General Insurance Co., Ltd.	Other related parties (subsidiaries of investees accounted for using the equity method by the ultimate parent company of the Company)
Ruentex Construction & Engineering Co., Ltd. (Ruentex Construction)	Other related party (the management personnel of the Company's immediate parent company is the representative of the juridical person director of the company)
Huei Hong Investment Co., Ltd.	Other related party (the corporate director representative of the Company's ultimate parent company is also a corporate director representative of the company).
The Yin Shu-Tien Medical Foundation.	Other related party (a juridical person director of an affiliate of the ultimate parent company of the Company)
Chang Quan Investment Co., Ltd.	Other related party (the corporate director representative of the Company's ultimate parent company is also a corporate director representative of the company).
Peng Lin Investment Ltd.	Other related party (The corporate director representative of the Company's ultimate parent company is also a director of the company).
Jean, Tsang-Jiunn (Note 1)	Chairperson of the Company
Lu, Yu-Huang (Note 2)	President of the Company

Note 1: Mr. Jean, Tsang-Jiunn resigned as the Chairperson of the Board of Directors on August 13, 2025, and the Board of Directors resolved to re-elect Mr. Lu, Yu-Huang as the Chairperson of the Board of Directors.

Note 2: Lu, Yu-Huang resigned as the President of the Company on August 13, 2025, and Shiu, Tz-Rung was elected as the President of the Company by the Board of Directors.

(III) Significant related party transactions and balances

1. Operating Revenue

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Contract of construction:		
-Ruentex Development	\$ 77,125	\$ 97,035
-Ruentex Innovative Development	4,428	151,860
-Intermediate parent company	5	35,153
-Other related party	-	2,811
Sales of Services:		
— The ultimate parent company	1,457	-
Sales of goods:		
— The ultimate parent company	5,608	7,654
	<u>\$ 88,623</u>	<u>\$ 294,513</u>
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Contract of construction:		
-Ruentex Development	\$ 241,935	\$ 165,930
-Ruentex Innovative Development	9,883	253,614
-Intermediate parent company	5	35,171
-Direct parent company	-	1,595
-Other related party	-	17,541
Sales of Services:		
— The ultimate parent company	3,320	-
Sales of goods:		
— The ultimate parent company	6,354	24,722
	<u>\$ 261,497</u>	<u>\$ 498,573</u>

- (1) The transaction prices for construction contracts with related parties are determined on a lump-sum basis. Costs are decided by the decoration area are considered and materials selected. Payment for the project is collected within 90 days after invoicing, in accordance with the project progress.
- (2) Transaction prices for sales of goods are determined by negotiation between both parties based on market prices. Payments are collected within 90 days after invoicing.
- (3) Fees for services are collected from related parties according to general commercial terms and conditions.

2. Purchases (operating cost)

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Project investment by:		
-Ruentex Engineering & Construction	\$ 251,911	\$ -
-Direct parent company	3,323	2,231
-Other related party	416	109
	<u>\$ 255,650</u>	<u>\$ 2,340</u>
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Project investment by:		
-Ruentex Engineering & Construction	\$ 251,911	\$ -
-Direct parent company	6,201	3,655
- Fellow subsidiary	94	-
-Other related party	534	217
	<u>\$ 258,740</u>	<u>\$ 3,872</u>

- (1) The decoration materials purchased by the Company from related parties are priced through negotiation between both sides, based on market prices.
- (2) The construction price of the Company's construction projects entrusted to related parties is determined by both parties through negotiation.
- (3) The Company's payments to related parties are made using promissory notes due within 2 months, which is consistent with general payment terms.

3. Receivables from related parties

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Notes receivable:			
-Ruentex Development	\$ 14,043	\$ 48,729	\$ 20,643
	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Accounts receivable:			
-Ruentex Development	\$ 49,278	\$ 28,312	\$ 46,558
-Ruentex Innovative Development	-	-	37,222
-Intermediate parent company	-	8,678	3,896
- Fellow subsidiary	-	2,925	2,925
-Other related party	-	-	8,910
	<u>\$ 49,278</u>	<u>\$ 39,915</u>	<u>\$ 99,511</u>

Please refer to Note 6 (2) for the aging analysis of notes and accounts receivable.

4. Contract assets - retainable receivables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
— The ultimate parent company	\$ 20,554	\$ 14,786	\$ 8,225
-Intermediate parent company	-	-	3,507
-Ruentex Innovative Development	32,573	32,573	25,589
-Other related party	-	-	780
	<u>\$ 53,127</u>	<u>\$ 47,359</u>	<u>\$ 38,101</u>

5. Payables to related parties

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Notes payable:			
— The ultimate parent company	\$ -	\$ -	\$ 81
-Direct parent company	675	2,093	588
-Other related party	<u>244</u>	<u>-</u>	<u>155</u>
	<u>919</u>	<u>2,093</u>	<u>824</u>
Accounts payable:			
-Intermediate parent company	84,921	-	-
-Direct parent company	<u>1,541</u>	<u>814</u>	<u>283</u>
	<u>86,462</u>	<u>814</u>	<u>283</u>
Other payables:			
— The ultimate parent company	4	6	8
-Other related party	<u>75</u>	<u>72</u>	<u>65</u>
	<u>79</u>	<u>78</u>	<u>73</u>
	<u>\$ 87,460</u>	<u>\$ 2,985</u>	<u>\$ 1,180</u>

6. Incomplete work of construction contracting and advance construction receipts

	<u>June 30, 2025</u>	
	<u>Total contract amount (tax excluded)</u>	<u>Amount requested for progress of works</u>
Ruentex Development	\$ 855,661	\$ 422,741
Ruentex Innovative Development	<u>718,675</u>	<u>620,447</u>
	<u>\$ 1,574,336</u>	<u>\$ 1,043,188</u>

	<u>December 31, 2024</u>	
	<u>Total contract amount (tax excluded)</u>	<u>Amount requested for progress of works</u>
Ruentex Development	\$ 879,326	\$ 287,919
Ruentex Innovative Development	<u>711,258</u>	<u>620,447</u>
	<u>\$ 1,590,584</u>	<u>\$ 908,366</u>

	<u>June 30, 2024</u>	
	<u>Total contract amount (tax excluded)</u>	<u>Amount requested for progress of works</u>
Ruentex Development	\$ 1,017,269	\$ 221,064
Ruentex Innovative Development	687,602	522,866
Ruentex Engineering & Construction	40,422	37,108
Ruentex Construction	<u>35,809</u>	<u>15,912</u>
	<u>\$ 1,781,102</u>	<u>\$ 796,950</u>

7. Operating expenses

	<u>Nature</u>	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Fellow subsidiary	Management and maintenance	\$ 51	\$ 57
Other related parties	Employee benefits	113	44
Other related parties	Rent expense	55	55
Other related parties	Management and maintenance	716	537
Other related parties	Insurance expense	87	111
		<u>\$ 1,022</u>	<u>\$ 804</u>
	<u>Nature</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Fellow subsidiary	Management and maintenance	\$ 127	\$ 120
Other related parties	Employee benefits	157	80
Other related parties	Rent expense	110	110
Other related parties	Management and maintenance	1,253	992
Other related parties	Insurance expense	287	228
		<u>\$ 1,934</u>	<u>\$ 1,530</u>

The Company leases a warehouse from other related parties, and the rent is paid monthly.

8. Status of endorsements and guarantees provided by related parties to the Company

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Key management personnel	\$ 700,000	\$ 450,000	\$ 450,000

(IV) Key management compensation information

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>
Wages and salaries and short-term employee benefits	\$ 12,555	\$ 11,411
Post-employment benefits	140	135
Total	<u>\$ 12,695</u>	<u>\$ 11,546</u>
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Wages and salaries and short-term employee benefits	\$ 25,023	\$ 23,405
Post-employment benefits	279	271
Total	<u>\$ 25,302</u>	<u>\$ 23,676</u>

VIII. Pledged Assets

The details of the assets pledged by the Company as collateral are as follows:

<u>Assets</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>	<u>Nature of collateral</u>
Financial assets measured by amortized cost - current	\$ 158,444	\$ 155,696	\$ 2,965	Engineering contract guarantees, warranties, and so on guarantees

IX. Significant Contingent Liabilities and Unrecognized Commitments

Except those described in Note 7, other material commitments are as follows:

1. As of June 30, 2025 and 2024, the total value of the Company's significant outsourced construction contracts that are signed but not yet completed amounted to NT\$2,945,132 and NT\$2,139,706, respectively. The amounts already paid according to these contracts were NT\$1,532,915 and NT\$1,241,272, respectively. The remaining balance will be paid according to the progress of the construction work.
2. As of June 30, 2025 and 2024, the Company's total guarantee notes issued for short-term borrowings were NT\$700,000 and NT\$450,000, respectively. This included revolving credit lines of NT\$370,000 and NT\$320,000, respectively. The amounts drawn down from these notes amounted to NT\$60,064 and NT\$76,030, respectively.

X. Significant Disaster Loss

None.

XI. Significant subsequent events

Please refer to Note 6(6)2., (6)3. and 7(2) for details.

XII. Others

(I) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return share capital to shareholders, issue new shares or sell Assets in order to adjust to reach the most suitable capital structure.

(II) Financial instruments

1. Type of financial instruments

	<u>June 30, 2025</u>	<u>December 31,</u> <u>2024</u>	<u>June 30, 2024</u>
<u>Financial assets</u>			
Financial assets at amortised cost			
Cash and cash equivalents	\$ 460,951	\$ 746,721	\$ 749,220
Notes receivable (including related parties)	14,043	51,279	20,643
Accounts receivable (including related parties)	241,800	134,702	239,112
Other receivables	1,496	1,804	358
Financial assets measured by amortized cost - current	208,795	205,696	2,965
Refundable deposits (listed as other non-current assets)	2,177	2,155	2,155
Financial assets at fair value through other comprehensive income			
Equity instrument investments by the option to designate	139,018	188,129	177,215
	<u>\$ 1,068,280</u>	<u>\$ 1,330,486</u>	<u>\$ 1,191,668</u>
<u>Financial liabilities</u>			
Financial liabilities are carried at amortized cost			
Notes payable (including related parties)	\$ 52,972	\$ 79,826	\$ 49,892
Accounts payable (including related parties)	976,395	919,642	640,489
Other payables (including related parties)	44,025	68,409	180,524
Guarantee deposits received (listed as other non-current liabilities)	353	353	-
	<u>\$ 1,073,745</u>	<u>\$ 1,068,230</u>	<u>\$ 870,905</u>
Lease liabilities - current and non-current	<u>\$ 6,778</u>	<u>\$ 10,814</u>	<u>\$ 14,829</u>

2. Risk management policies

- (1) The Company's activities expose it to a variety of financial risks: market risk (including price risk), credit risk and liquidity risk.
- (2) The risk management work is executed by the Company's Financial Department according to the policies approved by the Board of Directors. Though close cooperation with the operating units, the Company's Financial Department is responsible for the identification, evaluation, and hedging of financial risks. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3. Significant financial risks and degrees of financial risks

(1) Market risk

Price risk

- A. The Company's equity instruments exposed to price risk were the financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- B. The Company mainly invests in domestic or foreign equity instruments. The prices of equity instruments is affected by the uncertainty of the future value of investment subject matters. If the prices of these equity instruments had increased/decreased by 1% with all other variables held constant, other comprehensive income due to the classification to gains or losses of equity investments at fair value through other comprehensive income for the six months ended on June 30, 2025 and 2024 would have increased/decreased by NT\$1,390 and NT\$1,772, respectively.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Company arising from default by clients or transaction counterparties of financial instruments on the contract obligations. Such risk is mainly due to the counterparties inability to repay the contract assets and accounts receivable according to the payment terms, and it is classified as contract cash flow at amortized cost.
- B. According to the internally specified credit extension policy, before the Company establishes the terms for payment and goods delivery with each new customer, it is necessary to perform management and credit risk analysis. The internal risk control considers the financial position, past experience and other factors in order to assess the credit quality of customers. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilization of credit limits is regularly monitored.
- C. According to the Company's credit risk management procedures, when the payment specified according to the contract term has exceeded 90 days, breach of contract is deemed to have occurred.
- D. The Company uses IFRS 9 to provide the following assumptions, to determine if the credit risks of the financial instrument significantly increased since the initial recognition.
When the contractual payments overdue from the payment terms for more than 30 days, it is deemed the credit risks of the financial instrument significantly increased since the initial recognition.

- E. The Company classifies the accounts payable of customers according to the characteristics of customer type, and adopts the simplified method to use the loss rate method as the basis for estimating the expected credit loss.
- F. The Company utilized the forecasting capabilities of the Taiwan Institute of Economic Research report to adjust historical and current information in order to assess the likelihood of defaults and estimate the allowance for losses on accounts receivable (including related parties) and contract assets. As of June 30, 2025, December 31, 2024, and June 30, 2024, the expected losses for non-overdue accounts receivable (including related parties) and contract assets were not significant.
- G. All the allowances for losses on accounts receivable, calculated by the Company using the simplified approach, are not significant.
- H. The financial assets measured by the amortized cost accounted for by the Company are engineering contract guarantee deposits, demand deposits and pledged time certificates of deposit with original maturity dates for more than three months. Because the cooperating financial institutions' credit ratings are good, and the Company has conducted transactions with many financial institutions to diversify the credit risk, the probability of default is expected to be very low.

(3) Liquidity risk

- A. The cash flow forecast is executed by each of the operating entities within the Company and summarized by the Company's Financial Department. The Financial Department monitors rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational needs.
- B. For remaining cash held by the Company, when it exceeds the management needs of operating capital, will be transferred back to the Company's Financial Department. The Company's Financial Department then invests the remaining capital in the saving deposit with interest and equivalent cash - repurchase agreements, etc. The instruments selected have appropriate maturity dates or sufficient liquidity in order to cope with the aforementioned forecasts and to provide sufficient movement level. As of June 30, 2025, December 31, 2024, and June 30, 2024, the Company holds a currency market position of NT\$468,445, NT\$792,923, and NT\$746,196, respectively. It is expected to immediately generate cash flow in managing liquid currency.
- C. Detail of the loan credit not yet drawn down by the Company is as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Floating interest rates			
Due within one year	\$ 322,850	\$ 245,910	\$ 304,558

D. The table below analyzes the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts of contract cash flows disclosed in the table below are undiscounted.

Non-derivative financial liabilities:

June 30, 2025	<u>3 months and below</u>	<u>Within 3 months to 1 year</u>	<u>More than 1 year</u>
Notes payable (including related parties)	\$ 52,972	\$ -	\$ -
Accounts payable (including related parties)	112,523	722,318	141,554
Other payables (including related parties)	39,881	3,896	248
Lease liabilities - current (Note)	2,042	4,764	-

Non-derivative financial liabilities:

December 31, 2024	<u>3 months and below</u>	<u>Within 3 months to 1 year</u>	<u>More than 1 year</u>
Notes payable (including related parties)	\$ 79,826	\$ -	\$ -
Accounts payable (including related parties)	9,759	792,271	117,612
Other payables (including related parties)	63,343	4,831	235
Lease liabilities - current (Note)	2,042	6,125	-
Lease liabilities - non-current (Note)	-	-	2,722

Non-derivative financial liabilities:

June 30, 2024	<u>3 months and below</u>	<u>Within 3 months to 1 year</u>	<u>More than 1 year</u>
Notes payable (including related parties)	\$ 49,892	\$ -	\$ -
Accounts payable (including related parties)	11,586	513,297	115,606
Other payables (including related parties)	167,647	8,415	4,462
Lease liabilities - current (Note)	2,042	6,125	-
Lease liabilities - non-current (Note)	-	-	6,806

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

(III) Fair value information

1. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical Assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

2. Financial instruments other than those measured at fair value

The carrying amounts of the Company's cash and cash equivalents and financial instruments measured at amortized cost (including notes receivable (including related parties), accounts receivable (including related parties), other receivables, financial assets measured at amortized cost – current, guarantee deposits paid, notes payable (including related parties), accounts payable (including related parties), and other payables (including related parties)) are approximated to their fair values.

3. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics, and risks of the assets and liabilities is as follows:

June 30, 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 – Equity securities	<u>\$ 139,018</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,018</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 - Equity securities	<u>\$ 188,129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,129</u>
June 30, 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 - Equity securities	<u>\$ 177,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,215</u>

4. For financial instruments of the Company traded in active markets, their fair value is measured based on the market quotation at the end of the balance sheet date. The market is deemed to be an active market when the quotation can be obtained instantly and regularly from the stock exchange, dealer, broker, industry, rating agencies, and regulatory body, and that the quotation represents the actual and regular market transactions conducted under the basis of a normal transaction. The market price of the financial assets held by the Company is the closing market price. These instruments belong to Level 1. Level 1 instruments are mainly equity instruments. Their classification is financial assets at fair value through other comprehensive income.
5. There was no transfer between the Level 1 and the Level 2 fair values for the six months ended June 30, 2025 and 2024.

XIII. Additional Disclosure

(I) Significant transaction information

1. Loans to others: None.
2. Endorsement/guarantee provided for others: None.
3. Holding of significant marketable securities at the end of the period (not including subsidiaries): Please refer to Table 1.
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 2.
5. Receivables from related parties reaching NT\$ 100 million or 20% of paid-in capital or more: Please refer to Table 3.
6. Business relationship between the parent and subsidiaries and status of the important transactions: None.

(II) Information on Investees

None.

(III) Information on Investments in China

None.

XIV. Segment Information

(I) General information

The Company's 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 Company is currently divided into two segments: interior decoration design and building materials sales.

(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 Company evaluates the performance based on segment revenue and segment net operating profit (loss), instead of the segment assets and liabilities.

(III) Information on Departments

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

	<u>January 1 to June 30, 2025</u>	
	<u>Interior Decoration Design Division</u>	<u>Sale of Construction Materials Division</u>
Departmental revenue	\$ 1,180,575	\$ 6,433
Net operating profit from the segment	\$ 154,219	\$ 615
Segment income (loss) includes:		
Depreciation expense	\$ 5,146	\$ 28
Amortization	34	-
	<u>\$ 5,180</u>	<u>\$ 28</u>
	<u>January 1 to June 30, 2024</u>	
	<u>Interior Decoration Design Division</u>	<u>Sale of Construction Materials Division</u>
Departmental revenue	\$ 851,932	\$ 24,722
Net operating profit from the segment	\$ 111,925	\$ 791
Segment income (loss) includes:		
Depreciation expense	\$ 4,884	\$ 142
Amortization	96	3
	<u>\$ 4,980</u>	<u>\$ 145</u>

(IV) Reconciliation for segment income (loss)

1. Sales between the operational segments of the Company are determined through price negotiation by both parties. The revenue from external parties reported to the Chief Operating Decision-Maker is measured in a manner consistent with the revenue in comprehensive income statements.
2. Reconciliation for segment income (loss) and profit before tax from continuing operations for the six months ended June 30, 2025 and 2024, is as follows:

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Income/loss from the department to be reported	\$ 154,834	\$ 112,716
Interest revenue	4,923	1,721
Other income	1	35
Other losses	(120)	-
Financial Costs	(47)	(91)
Income before tax from continuing operations	<u>\$ 159,591</u>	<u>\$ 114,381</u>

Ruentex Interior Design Inc.
Significant marketable securities held at the end of the period (not including subsidiaries, associates and joint ventures)
June 30, 2025

Attached Table 1

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

<u>Company holding the securities</u>	<u>Type and name of the securities (Note 1)</u>	<u>Relationship with the securities issuer (Note 2)</u>	<u>Account recognized</u>	<u>End of the period</u>		<u>Shareholding percentage</u>	<u>Fair value</u>	<u>Remarks (Note 4)</u>
				<u>Shares</u>	<u>Carrying amount (Note 3)</u>			
Ruentex Interior Design Inc.	Shares of Ruentex Industries Ltd.	The investee accounted for under the equity method by the Company's ultimate parent company.	Financial assets at fair value through other comprehensive income – non-current	2,598,464	\$ 139,018	0.24	\$ 139,018	

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

Ruentex Interior Design Inc.
Total purchase from or sale to related parties amounting to at least NT\$100 million or 20% of the paid-in capital
For the Six Months Ended June 30, 2025

Attached Table 2

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

<u>The company making the purchase (sale) of goods</u>	<u>Name of counterparty</u>	<u>Relationship</u>	<u>Purchase (sale) of goods</u>	<u>Transaction conditions</u>		<u>Credit period</u>	<u>Unit price</u>	<u>Credit period</u>	<u>Difference between the terms and conditions of transaction and the general type of transaction and the reason for any such difference (Note 1)</u>		<u>Notes receivable/payable and accounts receivable/payable</u>		<u>Remark</u>
				<u>Amount</u>	<u>As a percentage of total purchases (sales) of goods (Note 4)</u>						<u>Balance</u>	<u>As a percentage of notes receivable/payable and accounts receivable/payable (Note 4)</u>	
Ruentex Interior Design Inc.	Ruentex Development Co., Ltd.	Ultimate parent company of the Company	Project solicitation, Service revenue, Sales revenue	(\$ 251,609)	21.20	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			\$63,321	24.75	
	Ruentex Engineering & Construction Co., Ltd.	Intermediate parent company of the Company	Contract of construction	251,911	27.72	Paying on schedule according to the construction contract	Negotiated price	Paying on schedule according to the construction contract			(84,921)	8.25	

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 Interior Design Inc.
Accounts receivable due from related parties amounting to at least \$100 million or 20% of the paid-in capital
June 30, 2025

Attached Table 3

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

					<u>Overdue accounts receivable due from related parties</u>		<u>Recovered amount in subsequent periods for accounts receivable due from related parties</u>		<u>Provision for allowance for bad debts</u>
<u>The company recognized as receivables</u>	<u>Name of counterparty</u>	<u>Relationship</u>	<u>Balance of accounts receivable due from related parties</u>	<u>Turnover</u>	<u>Amount</u>	<u>Approach to handling</u>			
Ruentex Interior Design Inc.	Ruentex Development Co., Ltd.	Ultimate parent company of the Company	\$ 63,321	7.17	\$ -	\$ -	\$ 49,491		\$ -

Note 1: Please fill in the value separately according to 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.