



Stock Code: 9945

Ruentex Development Co., Ltd.

2021 Annual Meeting of Shareholders

Agenda Handbook

June 15, 2021

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I. Procedure of the 2021 Shareholders' Meeting

1. Call to order
2. Chairperson's statement
3. Reports
4. Acknowledgment
5. Discussion
6. Motion
7. Adjournment

II. Agenda of the 2021 Shareholders' Meeting

Time: June 15, 2021 (Tuesday) at 9:00am

Location: 3F, No. 260, Sec. 2, Bade Rd., Taipei City (Central Motion Picture Bade Building)

1. Call to order
2. Chairperson's statement
3. Reported matters
 - (1) 2020 business report
 - (2) Audit Committee's review of the 2020 annual final accounting books and statements
 - (3) Report on 2020 employees' remuneration
 - (4) The amendments to the Company's "Rules of the board of directors' meeting"
 - (5) The amendments to the Company's "Code of ethical conduct"
 - (6) Execution to the Company's "Procedures for Endorsements & Guarantees"
4. Acknowledged matters:
 - (1) Acknowledgment of the 2020 annual final accounting books and statements
 - (2) Acknowledgment of the 2020 earnings distribution
5. Matters for Discussion:
 - (1) The amendments to the Company's corporate charter
 - (2) Due to the 2020 earnings distribution, new common share would be issued through the increase of capital by capitalization of retained earnings
6. Motion
7. Adjournment

[Reported matters]

1. 2020 business report of the Company.

Business Report

Dear shareholders, ladies, and gentlemen:

The overall consumer market slowed down last year (2020) because of the impact of the COVID-19 pandemic, but the real estate market became active due to the interest rate decrease by the Central Bank and the repatriation of overseas funds from Taiwanese businessmen; however, the real estate market became more conservative this year (2021) as a result of the selective credit control measures by the Central Bank and the amendment to the Real Estate and Land Tax 2.0. This year, we see the global economy and trade volumes recovering as vaccines are being administered more and more widely, so economic forecasters expect to see higher economic growth than the last year.

Last year, the consolidated operating revenue of the Company exceeded NT\$19.8458 billion, and the consolidated operating profit was more than NT\$2.085 billion. The net profit attributable to owners of the parent was over NT\$8.55765 billion, and the earnings per share after tax was NT\$5.88.

As for the construction business, last year's revenue was mainly recognized from the projects of The Silk Court, Botanic Garden Villa, Ruentex Fengsheng, Ruentex Jingcai and Ruentex Mingfeng; the projects under construction include the Ruentex Fenghui project developed by the subsidiary Ruentex Development, which is expected to be completed this year; the Company's Ruentex Dingfeng, Ruentex Wenhua and Ruentex Yangbei are all being sold while under construction.

The Company has achieved the expected sales target with the brand reputation and differentiated marketing. The unsold construction projects in the year 2021 include the Wolong Street Chlorine-Ionic

Building Urban Regeneration, Lihe Government-Led Urban Regeneration, Sanchong Metro 6 Case, the projects of Wuguo Wang A and B, the project of Qingtian Street of Ruentex Construction and the project of Nangang Yucheng Section of Ruentex Development, and the public office urban renewal project in the heart of Nangang in the future. In addition to this, the Company is actively developing potential joint projects in order to create benefits for the Company by the most cost-effective means.

For our hypermarket business, with the increasingly competitive environment in the domestic consumer market, the Company has upgraded and renovated the retail business in 2020 to adjust the sales types in response to the needs of our customers. We have also introduced Nitori home, a shop-in-shop, with a view to attracting consumers' attention and the number of customers through modernized shopping venues to boost overall sales and generate higher profits.

For commercial real estate, the hotels and shopping malls managed by our subsidiaries, Ruentex Xuzhan and Ruentex Baiyi, were affected by the COVID-19 pandemic, but they still actively launched various marketing campaigns to attract more customers and maintain a stable profit despite the overall unfavorable market conditions. The subsidiary, Ruentex Construction, has opened the Citylink SongShan second shop, Citylink Neihu shop and the franchise business, TSUTAYA BOOKSTORE (SongShan station shop, Neihu shop, Nangang shop and Kaohsiung Dali shop were opened in 2017, 2018, 2019 and 2020 respectively) to provide mutual benefits through the connection with Nangang, SongShan station, Neihu MRT station and Kaohsiung Central Park MRT station to create the rail economy.

The equity income from the re-investment under the equity method was approximately \$9,159 million last year, mainly came from the profit of re-investment made by the Company in Nan Shan Life Insurance through Ruen Chen Investment Holdings Co., Ltd which was recognized as approximately \$8,065 million last year. The

re-investment profits of Ruentex Industries and Sunny Friend were also recognized based on the percentage of shareholding. Furthermore, the rental incomes from the two major BOT projects of Ruentex Xuzhan and Ruentex Baiyi at Nangang and Songshan Stations and the stable profit generated by the operation of shopping malls have significantly contributed to the profit from re-investment.

Looking forward to the future, the Company is actively pursuing public and private legal entities, large-scale land development, urban renewal and joint development to reserve more high-quality land in response to the market evolution and take advantage of the Group's strengths, strives to launch fine housing properties, and participates in major government public projects. The Company also continues to innovate in the shopping mall business by introducing new counters and new products; and the investment in Nan Shan Life will also continue to recognize the profits.

It is believed that with the good reputation the company has accumulated over the past 40 years, the consistent support of all the shareholders, ladies, and gentlemen, and with the concerted efforts of all colleagues, the future can be successfully created. I would like to express my highest gratitude to every shareholder, and please do provide us with continuous support and opinions.

I wish all shareholders,

Good health and all the best,

Chairman: Jean, Tsang-Jiunn

Chairman: Jean, Tsang-Jiunn General Manager: Lee, Chih-Hung Accounting Manager: Lin, Chin-Szu

2. Review by the Audit Committee of the report on the financial statements for 2020.

RUENTEX DEVELOPMENT CO., LTD.

Audit Report by the Auditing Commission

The Board of Directors prepared the business report, financial statements and proposal on profit distribution proposal for 2020. The financial statements were audited by Chao-ming Wang and Ming-chuan Hsu, accountants of PwC Taiwan, and an audit report was issued by them. The above-mentioned business report, financial statements and proposal on profit distribution were reviewed by the Audit Committee and deemed appropriate. Therefore, in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we present this report for further examination.

To

2021 Shareholders' Meeting of Ruentex Development Co., Ltd.

Audit Committee Convener: Ko, Shun-Hsiung

March 26, 2021

3. Report on 2020 employees' remuneration

(1) In accordance with Article 33 of the Articles of Association.

(2) 0.3%, or NT\$29,201,224, was set aside and all distributed in cash as the remuneration for employees.

4. The amendments to the Company's "Rules of the board of directors' meeting"

In accordance with Taiwan Stock Exchange Corporation's letter Tai Cheng Chih Li No. 10900094681 dated June 3, 2020, the Company proposes to amend certain clauses of the "Rules of Procedure for Board of Directors Meetings", please refer to Attachment 1 (pages 11 to 12 of this Handbook) for the table of comparison of the relevant clauses.

5. The amendments to the Company's "Code of ethical conduct"

In accordance with Taiwan Stock Exchange Corporation's letter Tai Cheng Chih Li No. 10900094681 dated June 3, 2020, the Company proposes to amend certain clauses of the "Codes of Ethical Conduct", please refer to Attachment 2 (pages 13 to 14 of this Handbook) for the table of comparison of the relevant clauses.

6. Execution to the Company's "Procedures for Endorsements & Guarantees"

As of December 31, 2020, the balance of endorsements and guarantees made by the Company was NT\$4.08 billion, detailed as follows:

Recipient of credit	Recipient of endorsement/guarantee	Reason	Duration	Amount	Remark
KGI Commercial Bank	Ruentex Development Co., Ltd.	Bank loan	2017.10.30 ~ 2024.10.30	2,680,000	Loans guarantee
Hua Nan Commercial Bank	Ruentex Development Co., Ltd.	Bank loan	2018.7.30 ~ 2025.9.30	1,400,000	Loans guarantee
Total				4,080,000	

[Acknowledgment]

Item 1: Submitted by The Board of Directors.

Matter: Acknowledgment of the 2020 annual final accounting books and statements

Description: 1. The 2020 business report (please see pp. 3-4 of this Handbook) and financial statements for 2020 were completed. Please see Attachment 3 (pp. 15-40 of this Handbook).

2. The financial statements for 2020 were audited by Chao-ming Wang and Ming-chuan Hsu, accountants of PwC Taiwan, and an audit report with unqualified opinions was issued by them.
3. The financial statements were reviewed by the Audit Committee, with a review report issued hereby.
4. Submit for acknowledgement.

Resolution:

Item 2: Submitted by the Board of Directors

Matter: Acknowledgment of the 2020 earnings distribution

Description: 1. The proposed distribution of the profit of the Company in 2020, in accordance with based on the Company Act and the the Company's Corporate Charter, is as follows:
RUENTEX DEVELOPMENT CO., LTD.

Proposed distribution of profit

2020

Unit: NT\$

Item	Subtotal
Undistributed profit at start of the year	28,901,661,992
+: Profit after tax in 2020	8,557,651,437
-: Amount of items other than the current net profit after tax, and which is included in the undistributed profit of the year	(98,794,703)
Undistributed profit after adjustment	37,360,518,726
Profit set aside as legal reserve	(845,885,673)
Distributable profit	36,514,633,053
Proposal for profit distribution:	
Cash dividend (NT\$1 of cash per share)	1,504,880,998
Stock dividend (NT\$4 of stock per share)	6,019,523,990
Undistributed profit at end of the year	28,990,228,065

Chairman: Jean,Tsang-Jiunn General Manager: Lee,Chih-Hung Accounting Manager: Lin, Chin-Szu

2. According to Letter Tai-Cai-Shui No. 871941343, dated April 30, 1998, from the Ministry of Finance, profits distributed must be individually recognized. For the profit of the current year, the distributable profit in 2020 was distributed first.
3. In the event of any subsequent change in the shareholder dividend rate due to the number of the outstanding shares of the Company being affected by share buyback, cancellation of treasury stock or any other factor, the Board of Directors will be authorized to make adjustments.

4. Upon approval of this proposal by a resolution of the shareholders' meeting, the Board of Directors will be authorized to set the ex-right date, ex-dividend record date and distribution date.
5. This proposal is submitted for ratification.

Resolution:

[Discussion]

Item 1: Submitted by The Board of Directors.

Matter: Amendment to the Company's Corporate Charter. Please proceed to discuss.

Description: 1. In order to strengthen our capital and financial structure, we intend to increase the capital from NT\$20 billion to NT\$30 billion, and to amend certain clauses of the Company's Corporate Charter, please refer to Attachment 4 (page 41 of this Handbook) for the table of comparison of the relevant clauses.

2. This proposal is submitted for discussion.

Resolution:

Item 2: Submitted by the Board of Directors

Matter: In line with the distribution of the profit for 2020, the Company proposes a capital increase from the profit for issuance of new shares.

Description: 1. The current paid-up capital of the Company is NT\$15,048,809,980, and the total number of shares issued is 1,504,880,998. In line with the distribution of the profit for 2020, it is proposed to issue 601,952,399 shares or a total of NT\$6,019,523,990 from the capital increase. The paid-up capital after the capital increase is NT\$21,068,333,970.

(1)Source of funds: It is proposed to set aside NT\$6,019,523,990 from the distributable profit in 2020 as capital to issue 601,952,399 new common shares, with the face value of each share being NT\$10.

(2) Purpose of funds: To increase capital and strengthen the financial structure.

(3) Requirements for issuance:

a. The rights and obligations associated with the new shares issued from the capital increase are the same as those of the outstanding common shares.

b. Calculation will be based on the percentage of shares held by each shareholder listed in the shareholder register on the ex-rights record date. Additionally, 400 bonus shares will be distributed per 1,000 shares. In the case of fractional shares, each of which is less than one share, among the new shares distributed to any shareholder, the shareholder may combine such shares at the stock transfer division of the Company within 5 days following the book closure date. All fractional shares which have failed to be combined within that period or into one share will be distributed in cash based on the face value per share (rounded down to the nearest whole dollar). With respect to the accumulated fractional shares, it is proposed that the Chairman be authorized to contact certain persons to purchase such shares at the face value per share.

- c. In the event of any change in the shareholder dividend rate due to the number of the outstanding shares of the Company being affected by share buyback or any other factor, calculation shall be based on the actual number of outstanding shares on the share distribution record date. It is proposed that the shareholders' meeting authorize the Board of Directors to separately decide on matters related to such a change.
2. After the proposal for profit distribution is adopted by the shareholders' meeting and submitted to the competent authority for approval, the Board of Directors will be authorized to determine the record date of the capital increase. In the event of any amendment due to regulatory change or required by the competent authority, it is proposed that the shareholders' meeting fully authorize the Board of Directors to address the matter.
3. This proposal is submitted for discussion.

Resolution:

[Motion]

[Adjournment]

III. Attachments

[Attachment 1]

RUENTEX DEVELOPMENT CO., LTD.

Table of Comparison of Clauses Before and After Amendment of the
“Rules of the Board of Directors' Meeting”

After amendment	Before amendment	Description
<p>Article 7 (Items to be proposed for discussion at the Board of Directors meeting)</p> <p>The following items shall be proposed for discussion at the Board of Directors meeting:</p> <ol style="list-style-type: none"> 1. Corporate business plan. 2. Annual financial report and <u>second quarter financial report audited and attested by a certified public accountant.</u> 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act (hereinafter referred to as the Act), and the evaluation of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, 	<p>Article 7 (Items to be proposed for discussion at the Board of Directors meeting)</p> <p>The following items shall be proposed for discussion at the Board of Directors meeting:</p> <ol style="list-style-type: none"> 1. Corporate business plan. 2. Annual and semi-annual financial reports. <u>Except for the semi-annual financial report audited and attested by a certified public accountant as requested by laws and regulations.</u> 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act (hereinafter referred to as the Act), and the evaluation of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, 	<p>To adjust the 2nd paragraph of item 1 in line with the amendment to Article 14-5 of the Securities and Exchange Act.</p>

After amendment	Before amendment	Description
<p>such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.</p> <p>5. The offering, issuance, or private placement of any equity-type securities.</p> <p>6. The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>8. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority..</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a</p>	<p>such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.</p> <p>5. The offering, issuance, or private placement of any equity-type securities.</p> <p>6. The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>8. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority..</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a</p>	

After amendment	Before amendment	Description
<p>related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>For foreign companies whose stock has no par value or a par value other than NTD10, the "5 percent of paid-in capital" in paragraph 2 above shall be calculated instead as 2.5 percent of shareholder equity. The Company shall set up independent directors in</p>	<p>related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>For foreign companies whose stock has no par value or a par value other than NTD10, the "5 percent of paid-in capital" in paragraph 2 above shall be calculated instead as 2.5 percent of shareholder equity. The Company shall set up independent directors in</p>	

After amendment	Before amendment	Description
<p>accordance with the law, and at least one independent director shall attend the board meeting in person. For matters required to be resolved by the board meeting under Article 14-3 of the Securities and Exchange Act, in case an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. Any objection or reservation made by an independent director shall be recorded in the minutes of the Board of Directors meeting. Any independent director unable to attend the Board of Directors meeting in person to express objection or reservations shall provide a written opinion before the Board of Directors meeting, unless there are legitimate reasons to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.</p>	<p>accordance with the law, and at least one independent director shall attend the board meeting in person. For matters required to be resolved by the board meeting under Article 14-3 of the Securities and Exchange Act, in case an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. Any objection or reservation made by an independent director shall be recorded in the minutes of the Board of Directors meeting. Any independent director unable to attend the Board of Directors meeting in person to express objection or reservations shall provide a written opinion before the Board of Directors meeting, unless there are legitimate reasons to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.</p>	

Ruentex Development Co., Ltd.

Table of Comparison of Clauses Before and After Amendment of the
“Codes of Ethical Conduct”

After amendment	Before amendment	Description
<p>Article 2: Taking its individual circumstances and needs into consideration, the Company has adopted a code of ethical conduct that addresses the following eight matters:</p> <p>1. Prevention of conflicts of interest: Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the Company, as for example when a director or managerial officer of the Company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the Company to obtain improper benefits for either themselves or their spouse or relatives within the second degree of kinship. The Company shall pay special attention to loans of funds, provisions of guarantees,</p>	<p>Article 2: Taking its individual circumstances and needs into consideration, the Company has adopted a code of ethical conduct that addresses the following eight matters:</p> <p>1. Prevention of conflicts of interest: Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the Company, as for example when a director or managerial officer of the Company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, <u>parents, children</u>, or relatives within the second degree of kinship. The Company shall pay special attention to loans of funds, provisions of</p>	<p>(1) The relevant wording of paragraph 1 of item 1 shall be simplified as appropriate when considering that both parents and children are relatives within the second degree of kinship.</p> <p>(2) To amend the wording of paragraph 7 of item 1 with reference to Article 23 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, which allows for anonymous reporting.</p>

After amendment	Before amendment	Description
<p>and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which an aforementioned personnel works. The Company establishes a policy aimed at preventing conflicts of interest, and offers appropriate means for directors and managerial officers to voluntarily explain whether there is any potential conflict between them and the Company.</p> <p>2. to 6. (omitted)</p> <p>7. Encouraging reporting on any activity illegal or in violation of Codes of Ethical Conduct:</p> <p>The Company shall raise awareness of ethics internally and encourage employees to report to managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company shall establish a</p>	<p>guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which an aforementioned personnel works. The Company establishes a policy aimed at preventing conflicts of interest, and offers appropriate means for directors and managerial officers to voluntarily explain whether there is any potential conflict between them and the Company.</p> <p>2. to 6. (omitted)</p> <p>7. Encouraging reporting on any activity illegal or in violation of Codes of Ethical Conduct:</p> <p>The Company shall raise awareness of ethics internally and encourage employees to report to managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company shall establish a</p>	

After amendment	Before amendment	Description
<p>concrete whistle-blowing system, <u>allow anonymous reports</u>, and make employees aware that the company will use its best efforts to ensure the safety of whistle-blowers and protect them from reprisals.</p> <p>8.(omitted)</p>	<p>concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of <u>informants</u> and protect them from reprisals.</p> <p>8.(omitted)</p>	

Accountants' Audit Report

(2021) Cai-Shen-Bao-Zi No.20005068

The Board of Directors and Shareholders

Ruentex Development Co., Ltd.

Audit Opinions

We have audited the consolidated balance sheets of Ruentex Development Co., Ltd. and its subsidiaries (hereinafter referred to as "Ruentex Group") for Dec. 31, 2020 and Dec. 31, 2019, the consolidated comprehensive income statements, equity statements and cash flow statements of Ruentex Group for the period from Jan. 1 to Dec. 31, 2020 and the period from Jan. 1 to Dec. 31, 2019, and the notes to the consolidated financial report (including a summary of significant accounting policies).

In our opinion, based on our audits and the report of other independent accountants (please refer to the "other matter" section of our report), the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis of Audit Opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements of Financial Institutions by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the section of "Responsibilities of the Accountants for the Audit of Consolidated Financial Statements" in our report. We are independent of Ruentex Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with the Code. In view of the audit result concluded by our representatives and the audits concluded by other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 2020. These matters were addressed in the context of our audit of the consolidated financial

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

The most significant key audit matters in our audit of the Group's consolidated financial statements for the year ended 2020 are as follows:

Accuracy of Investment Balance Accounted for using equity method

Description of Key Audit Matters

As of December 31, 2020, Ruentex Group's investments accounted under equity method were NT\$113,459,105 thousand, representing 60.87% of the total consolidated assets. Please refer to Note 4(16) for accounting policies on investments accounted under equity method and Note 6(8) for details.

Due to the complexity of multi-layered cross-holdings among multinational investee enterprises accounted for under equity method, conducting audit and calculation on such investments may require significant costs and human resources, so we identified the accuracy for calculating the balance of investments accounted under equity method as a key audit matter.

Corresponding Audit Procedures

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

1. We assessed the consistency of the internal control and the accounting process adopted by the management on the investments under equity method.
2. We obtained the investment profit/loss and equity account calculation form and the annual financial statements of investees audited by independent auditors from the management re-calculated the investment profit/loss and equity account amounts, and entered into account appropriately.

Accuracy of Time for Recognition of Construction Cost

Description of Key Audit Matters

Please see Note 4(30) for accounting policies on the recognition of construction costs.

The Group's recognition of construction costs for each contract as at the end of the reporting period is estimated based on construction progress and customer acceptance. Aforementioned procedures for the recognition of construction costs usually depends on whether construction personnel inspects and calculates the costs based on the actual construction outcome for each contract correctly. Any inappropriate timing of construction costs recognition may result in material impact on the presentation of financial statements, so we identified the accuracy of construction cost recognition timing as a key audit matter.

Corresponding Audit Procedures

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

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

Accuracy of the Recognition of Construction Revenues

Description of Key Audit Matters

For the year of 2020, the Group's construction contract revenue was NT\$9,776,876 thousand, representing 51.23% of consolidated operating revenue. Please see Note 4(30) for accounting policies on revenue recognition, Note 5(2) for critical accounting estimates and assumptions and Note 6(25) for details.

Ruentex Group's recognition of construction revenue is based on the stage of completion of a contract using the percentage of completion method of accounting during the duration of a contract. The stage of completion is determined by the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs. Aforementioned estimated total contract costs were based on contract budget details compiled by owner's design drawing considering the changes in the price fluctuations in the recent market to estimate the contract work, overhead and relevant costs.

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

Corresponding Audit Procedures

For the abovementioned key audit matters, except for the accuracy of the recognition of construction incomes, other preformed audit procedures are summarized as the following:

1. We obtained an understanding of the nature of business and industry of Ruentex Group and assessed the reasonableness of internal process of estimating total construction cost, including the procedure of estimating the construction costs (including contracting, material and labor costs), and the consistency of applying the estimation method.
2. We assessed and tested the internal controls that would affect the recognition of construction contract revenue based on stage of completion, including verifying the evidence of additional or less work and significant constructions.
3. Re-check the percentage of the completion of each construction, and review the accuracy of the recognition of the related construction incomes and if they have been accounted for.
4. We obtained details of construction profit or loss and performed substantive procedures, including randomly checking the incurred cost of current period with the appropriate evidence, and additional or less work with the supporting documents, and recalculated the stage of completion to ensure a reasonable recognition of construction revenue.

Other Matters - Reference to Audits by Other Accountants

We did not audit the financial statements of multiple subsidiaries and investments accounted under the equity method that are included in Ruentex Group's consolidated financial statements. Those statements were audited by other independent accountants whose report thereon has been furnished to us, and our opinion expressed herein is based solely on the audit reports issued by other independent accountants. The total assets of the aforementioned subsidiaries as of December 31, 2020 and 2019, were NT\$42,619 thousand and NT\$45,443 thousand, respectively, and constituted 0.02% and 0.03% of total consolidated assets. Their total operating income of NT\$45,251 thousand and NT\$47,625 thousand for the period from Jan. 1 to Dec. 31, 2020 and the period from Jan. 1 to Dec. 31, 2019, constituting 0.24% and 0.28% of total consolidated operating income. The aforementioned investments recognized under equity method as of December 31, 2020 and 2019 were NT\$7,071,122 thousand and NT\$14,932,672 thousand, respectively, and constituted 3.79% and 9.95% of total consolidated assets. Share of other comprehensive income of associates and joint ventures accounted for under equity method and other comprehensive income were NT\$422,867 thousand and NT\$5,761,174 thousand for the period from Jan. 1 to Dec. 31, 2020 and the period from Jan. 1 to Dec. 31, 2019 respectively, constituting 1.21% and 11.06% of total consolidated comprehensive income.

Other matter- Parent only financial reports

We have audited and expressed an unqualified opinion on the parent only financial statements of Ruentex Development Co., Ltd. as at and for the years ended December 31, 2020 and 2019.

Responsibilities of the Management and Governing Bodies for Consolidated Financial Statements

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

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

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

Responsibilities of the Accountants for the Audit of Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

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

6. We obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Ruentex Group to express an opinion on the consolidated financial statements. We are responsible for directing, overseeing and executing audit of Ruentex Group, and forming the audit opinion for Ruentex Group.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Ruentex Group's consolidated financial statements of 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Chao-Ming Wang

CPA

Ming-chuan Hsu

Former Securities and Futures Commission, Ministry of
Finance

Approval Certificate No.:(1996) Tai-Cai-Zheng (VI) No.
65945

Financial Supervisory Commission

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No.
1050029449

March 26, 2021

Ruentex Development Co., Ltd. and the Subsidiaries
Consolidated Balance Sheet
December 31, 2020 and 2019

Unit: New Taiwan Dollars in Thousands

Assets	Notes	December 31, 2020		December 31, 2019		
		Amount	%	Amount	%	
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 4,709,372	2	\$ 7,147,701	5
1110	Financial assets measured at fair value through profit or loss - current	6(2)	-	-	39,210	-
1136	Financial assets measured by amortized cost - current	6(7)	-	-	25,760	-
1140	Contract asset - current	6(25) and 7	2,440,546	1	1,275,724	1
1150	Net Notes Receivable	6 (3)	136,917	-	257,873	-
1160	Bills receivable - related parties - net	7	40,931	-	9,020	-
1170	Net Accounts Receivable	6(3) (31)	1,033,849	1	1,071,790	1
1180	Accounts receivable - related parties - net	7	4,136	-	1,828	-
1200	Other receivables		23,810	-	21,438	-
1210	Other Receivables - related party	7	12,494	-	12,683	-
1220	Current income tax assets		15,922	-	17,001	-
130X	Inventories	6(4), 7 and 8	29,003,884	16	26,911,326	18
1410	Prepayments		364,976	-	242,125	-
1460	Non-current assets held for sale, net	6(14)	16,415	-	-	-
1470	Other Current Assets	6(5) and 8	1,399,347	1	780,117	-
11XX	Total Current Assets		<u>39,202,599</u>	<u>21</u>	<u>37,813,596</u>	<u>25</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	37,262	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current	6 (6), 7 and 8	3,578,218	2	3,825,675	3
1535	Amortized cost financial Assets - non-Current	6(7)	560,000	-	560,000	1
1550	Investments accounted for using equity method	6(8),7 and 8	113,459,105	61	78,936,414	53
1600	Property, plant, and equipment	6(9), 7 and 8	4,831,865	3	4,430,532	3
1755	Right-of-use assets	6(10), 7 and 8	2,567,028	2	2,006,860	1
1760	Net value of investment properties	6(12) and 8	20,981,591	11	21,418,294	14
1780	Intangible assets	6(13)	253,971	-	244,424	-
1840	Deferred tax Assets	6(33)	296,146	-	207,719	-
1930	Long-term notes and accounts receivable	6(11)	426,038	-	460,954	-
1990	Other non-current assets - others	6(15) and 8	195,552	-	228,076	-
15XX	Total non-current assets		<u>147,186,776</u>	<u>79</u>	<u>112,318,948</u>	<u>75</u>
1XXX	Total Assets		<u>\$ 186,389,375</u>	<u>100</u>	<u>\$ 150,132,544</u>	<u>100</u>

(Continued)

Ruentex Development Co., Ltd. and the Subsidiaries
Consolidated Balance Sheet
December 31, 2020 and 2019

Unit: New Taiwan Dollars in Thousands

Liabilities and Equity		Notes	December 31, 2020		December 31, 2019	
			Amount	%	Amount	%
Current Liabilities						
2100	Short-term borrowings	6(16) and 7	\$ 2,750,000	1	\$ 3,323,000	2
2110	Short-term bills payable	6(17) and 8	4,878,621	3	3,038,126	2
2130	Contract liabilities - current	6(25) and 7	2,576,469	1	1,172,937	1
2150	Notes payable		859,066	-	681,035	-
2160	Notes payable - related party	7	31,199	-	16,576	-
2170	Accounts payable		2,306,722	1	1,942,621	1
2180	Accounts payable - related party	7	17,259	-	17,650	-
2200	Other payables	7	1,039,009	1	985,610	1
2230	Income tax liabilities of current period		1,365,523	1	150,833	-
2280	Lease liabilities - current	6 (10) and 7	204,307	-	380,509	-
2300	Other Current liabilities	6 (18) (19)	8,820,254	5	8,622,283	6
21XX	Total Current Liabilities		<u>24,848,429</u>	<u>13</u>	<u>20,331,180</u>	<u>13</u>
Non-current liabilities						
2540	Long-term borrowings	6(18) and 8	28,106,090	15	30,927,546	21
2570	Deferred income tax liabilities	6(33)	1,674,293	1	1,533,237	1
2580	Lease liabilities - non-current	6 (10) and 7	10,876,133	6	10,058,917	7
2670	Other non-current liabilities - others	6(19)(20)	1,919,079	1	1,889,384	1
25XX	Total Non-Current Liabilities		<u>42,575,595</u>	<u>23</u>	<u>44,409,084</u>	<u>30</u>
2XXX	Total Liabilities		<u>67,424,024</u>	<u>36</u>	<u>64,740,264</u>	<u>43</u>
Equity						
Equity attributed to owners of the parent						
Capital						
3110	Share capital	6 (21)	15,048,810	8	10,032,540	7
Capital surplus						
3200	Capital surplus	6(22)	18,147,191	9	18,136,402	12
Retained earnings						
3310	Legal reserve	6(23)	4,472,550	3	3,816,407	3
3320	Special reserve		507,767	-	29,523,666	20
3350	Undistributed earnings		37,360,519	20	6,561,429	4
Other Equities						
3400	Other Equities	6(24)	38,792,132	21	12,907,012	8
3500	Treasury stock	6 (21)	(84,639)	-	(84,639)	-
31XX	Total equity attributable to owners of the parent company		<u>114,244,330</u>	<u>61</u>	<u>80,892,817</u>	<u>54</u>
36XX	Non-controlling interest	6(34)	<u>4,721,021</u>	<u>3</u>	<u>4,499,463</u>	<u>3</u>
3XXX	Total Equity		<u>118,965,351</u>	<u>64</u>	<u>85,392,280</u>	<u>57</u>
Significant contingent liabilities and unrecognized contractual commitments						
Significant subsequent events						
3X2X	Total Liabilities and Equity		<u>\$ 186,389,375</u>	<u>100</u>	<u>\$ 150,132,544</u>	<u>100</u>

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

Chairman: Jean, Tsang-Jiunn

Manager: Lee, Chih-Hung

Accounting Manager: Lin, Chin-Szu

Ruentex Development Co., Ltd. and the Subsidiaries
Consolidated Statements of Comprehensive Income
2020 and 2019 from January 1st to December 31st

Unit: New Taiwan Dollars in Thousands
(Except earnings per share, which is in NT\$)

Item	Notes	2020		2019		
		Amount	%	Amount	%	
4000	Operation income	6(25) and 7	\$ 19,084,589	100	\$ 17,257,930	100
5000	Operation Cost	6(4)(20) (26)(31) (32) and 7	(15,145,020)	(79)	(13,645,895)	(79)
5900	Gross profit		3,939,569	21	3,612,035	21
	Operating Expenses	6(20) (31)(32) and 7				
6100	Selling and marketing expenses		(724,252)	(4)	(702,521)	(4)
6200	Administrative expense		(1,068,046)	(6)	(948,647)	(6)
6300	R&D expenses		(60,690)	-	(59,650)	-
6450	Expected credit impairment losses	6(31)	(1,574)	-	(1,974)	-
6000	Total Operating Expenses		(1,854,562)	(10)	(1,712,792)	(10)
6900	Operating Profit		2,085,007	11	1,899,243	11
	Non-operating Income and Expenses					
7100	Interest revenue	6(7)(27)and 7	63,045	-	101,812	1
7010	Other income	6(10)(28)	291,527	2	308,802	2
7020	Other gains and losses	6 (29)	(121,739)	-	(281,955)	(2)
7050	Finance costs	6 (30) and 7	(698,112)	(4)	(611,057)	(4)
7060	Share of income of associates and joint ventures accounted for using the equity method	6 (8)	9,158,734	48	8,593,623	50
7000	Total non-operating income and expenses		8,693,455	46	8,111,225	47
7900	Net profit before tax		10,778,462	57	10,010,468	58
7950	Income tax expense	6(33)	(1,503,070)	(8)	(424,349)	(2)
8200	Net income of current period		\$ 9,275,392	49	\$ 9,586,119	56

(Continued)

Ruentex Development Co., Ltd. and the Subsidiaries
Consolidated Statements of Comprehensive Income
2020 and 2019 from January 1st to December 31st

Unit: New Taiwan Dollars in Thousands
(Except earnings per share, which is in NT\$)

Item	Notes	2020		2019	
		Amount	%	Amount	%
Other comprehensive income (net)					
Items not to be reclassified into profit or loss					
8311	Remeasurements of defined benefit plans	6(20)	(\$ 10,014)	-	\$ 1,304 -
8316	Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(6)	(63,424)	-	(872,867) (5)
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)	(136,355) (1)	(48,983)	-
8349	Income tax relating to non-reclassified items	6(33)	4,586	-	104,642 -
8310	Total of items not to be reclassified into profit or loss		(205,207) (1)	(815,904)	(5)
Items may be reclassified subsequently to profit or loss					
8361	Exchange differences on translating foreign operations		(345,896) (2)	(171,605)	(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)	26,356,310	138	43,818,066 254
8399	Income tax related to items may be reclassified into profit or loss	6(33)	(59,134)	-	(309,869) (2)
8360	Total of items may be reclassified subsequently to profit or loss		25,951,280	136	43,336,592 251
8300	Other comprehensive income (net)		<u>\$ 25,746,073</u>	<u>135</u>	<u>\$ 42,520,688</u> <u>246</u>
8500	Total comprehensive income for the period		<u>\$ 35,021,465</u>	<u>184</u>	<u>\$ 52,106,807</u> <u>302</u>

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

Chairman: Jean, Tsang-Jiunn

Manager: Lee, Chih-Hung

Accounting Manager: Lin, Chin-Szu

Ruentex Development Co., Ltd. and the Subsidiaries
Consolidated Statements of Comprehensive Income
2020 and 2019 from January 1st to December 31st

Unit: New Taiwan Dollars in Thousands
(Except earnings per share, which is in NT\$)

Profit attributable to:					
8610	Owners of the parent	\$	8,557,651	45	\$ 9,067,952 53
8620	Non-controlling interest	\$	717,741	4	\$ 518,167 3
Comprehensive Income attributed to:					
8710	Owners of the parent	\$	34,343,978	180	\$ 51,706,025 300
8720	Non-controlling interest	\$	677,487	4	\$ 400,782 2
Earnings per share					
				6(35)	
9750	Basic earnings per share	\$		5.88	\$ 6.23
9850	Diluted earnings per share	\$		5.88	\$ 6.23

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

Chairman: Jean, Tsang-Jiunn

Manager: Lee, Chih-Hung

Accounting Manager: Lin, Chin-Szu

Ruentex Development Co., Ltd. and the Subsidiaries
Consolidated statement of changes in Equity
2020 and from January 1st to December 31st 2019

Unit: New Taiwan Dollars in Thousands

Notes	Equity attributed to owners of the parent							Non-controlling interests	Total Equity	
	Common share capital	Capital reserve	Legal reserve	Special reserve	Undistributed earnings	Other equities	Treasury stock			Total
2019										
Balance on January 1, 2019	\$ 10,032,540	\$ 18,013,510	\$ 4,829,705	\$ 17,450,088	\$ 13,066,788	(\$ 32,411,659)	(\$ 84,639)	\$ 30,896,333	\$ 4,382,681	\$ 35,279,014
Net income of current period 6(23)(34)	-	-	-	-	9,067,952	-	-	9,067,952	518,167	9,586,119
Other Comprehensive Income 6(23)(24)	-	-	-	-	(44,119)	42,682,192	-	42,638,073	(117,385)	42,520,688
Total comprehensive income for the period	-	-	-	-	9,023,833	42,682,192	-	51,706,025	400,782	52,106,807
Appropriation and distribution of the earnings for 2018: 6(23)										
Legal reserve	-	-	993,210	-	(993,210)	-	-	-	-	-
Special reserve	-	-	-	12,073,578	(12,073,578)	-	-	-	-	-
Cash dividends from the legal reserve 6(23)	-	-	(2,006,508)	-	-	-	-	(2,006,508)	-	(2,006,508)
Dividends unclaimed by shareholders with claim period elapsed 6(22)	-	3,409	-	-	-	-	-	3,409	-	3,409
Changes in associates & joint ventures accounted for using equity method 6(22)(23)(24)	-	122,482	-	-	184,120	(10,045)	-	296,557	-	296,557
Changes in ownership interests in subsidiaries 6(22)(34)	-	9,910	-	-	-	-	-	9,910	4,281	14,191
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income 6(6)(23)(24)	-	-	-	-	(2,646,524)	2,646,524	-	-	-	-
Changes in the Reorganization 6(22)	-	(12,909)	-	-	-	-	-	(12,909)	-	(12,909)
Increase of non-controlling Interest 6(34)	-	-	-	-	-	-	-	-	1,447,979	1,447,979
Decrease in non-controlling interests 6(34)	-	-	-	-	-	-	-	-	(1,736,260)	(1,736,260)
Balance on December 31, 2019	\$ 10,032,540	\$ 18,136,402	\$ 3,816,407	\$ 29,523,666	\$ 6,561,429	\$ 12,907,012	(\$ 84,639)	\$ 80,892,817	\$ 4,499,463	\$ 85,392,280
2020										
Balance at January 1, 2020	\$ 10,032,540	\$ 18,136,402	\$ 3,816,407	\$ 29,523,666	\$ 6,561,429	\$ 12,907,012	(\$ 84,639)	\$ 80,892,817	\$ 4,499,463	\$ 85,392,280
Net income of current period 6(23)(34)	-	-	-	-	8,557,651	-	-	8,557,651	717,741	9,275,392
Other Comprehensive Income 6(23)(24)	-	-	-	-	(93,002)	25,879,329	-	25,786,327	(40,254)	25,746,073
Total comprehensive income for the period	-	-	-	-	8,464,649	25,879,329	-	34,343,978	677,487	35,021,465
Profit reversed as special reserve	-	-	-	(29,015,899)	29,015,899	-	-	-	-	-
Appropriation and distribution of the earnings for 2019: 6(23)										
Legal reserve	-	-	656,143	-	(656,143)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,003,254)	-	-	(1,003,254)	-	(1,003,254)
Share dividend 6(21)	5,016,270	-	-	-	(5,016,270)	-	-	-	-	-
Reversal of dividends unclaimed by shareholders with claim period elapsed 6(22)	-	(351)	-	-	-	-	-	(351)	-	(351)
Changes in associates & joint ventures accounted for using equity method 6(22)	-	11,140	-	-	-	-	-	11,140	-	11,140
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income 6(6)(23)(24)	-	-	-	-	(5,791)	5,791	-	-	-	-
Decrease in non-controlling interests 6(34)	-	-	-	-	-	-	-	-	(455,929)	(455,929)
Balance on December 31, 2020	\$ 15,048,810	\$ 18,147,191	\$ 4,472,550	\$ 507,767	\$ 37,360,519	\$ 38,792,132	(\$ 84,639)	\$ 114,244,330	\$ 4,721,021	\$ 118,965,351

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

Ruentex Development Co., Ltd. and the Subsidiaries
Consolidated Statement of Cash Flow
2020 and 2019 from January 1st to December 31st

	Notes	Unit: New Taiwan Dollars in Thousands January 1 to December 31, 2020	January 1 to December 31, 2019
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 10,778,462	\$ 10,010,468
Adjustment item			
Income and expenses			
Depreciation expense	6(31)	985,441	929,826
Amortization	6(31)	12,248	9,420
Expected credit impairment losses	6(31)	1,574	1,974
Impairment loss on use-of-right assets	6(29)	1,543	88,809
Impairment loss on investment properties	6(29)	1,656	94,871
Interest Cost	6(30)	698,112	611,057
Interest revenue	6(27)	(63,045)	(101,812)
Dividend income	6(28)	(128,297)	(127,440)
Share of profit of associates accounted for using the equity method	6(8)	(9,158,734)	(8,593,623)
Real estate properties, plants and equipment reclassified as expenses	6(9)	76	-
Intangible assets reclassified as expense	6(13)(36)	543	1,229
Gains on disposals of real estate, plant and equipment	6(29)	(19,303)	(426)
Gain on disposal of non-current assets held for sale		(27,584)	-
Valuation profit on financial assets at fair value through profit or loss	6(2)(29)	(3,564)	(2,207)
Gains on reversal of financial assets impairment loss	6(2)(29)	(1,105)	(295)
Gains on lease modifications	6(10)(29)	(23)	-
Other income		(16,102)	(40,802)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contractual assets - Current		(1,164,822)	(560,933)
Notes receivable		120,956	(117,507)
Bills receivable - related parties		(31,911)	(8,079)
Accounts Receivable		36,367	(5,399)
Accounts Receivable – related Party		(2,302)	21,878
Other Receivable		(2,029)	(1,898)
Other receivables - related Party		189	1,920
Inventories		(1,999,884)	1,058,660
Prepaid Expenses		(122,851)	(70,855)
Other Current Assets		(86,972)	(36,071)
Long term notes and payments receivable		34,916	54,689
Other non-current Assets		16,742	21,124
Net change in liabilities related to operating activities			
Contractual Liabilities - Current		1,403,532	130,913
Notes payable		178,022	320,130
Notes Payable – related Party		14,623	13,906
Accounts Payable		364,207	454,355
Accounts Payable – related Party		(391)	12,760
Other Payable		54,461	93,659
Other Current Liabilities		145,561	37,358
Other non-Current liabilities		24,423	57,064
Cash flow in from operating		2,044,735	4,358,723
Interest received		64,845	100,292
Amount of interest Paid		(795,124)	(860,745)
Dividends received		735,100	701,550
Income tax refunded		68	3,166
Income tax paid		(290,533)	(1,113,343)
Cash inflow from operating activities		1,759,091	3,189,643

(Continued)

Ruentex Development Co., Ltd. and the Subsidiaries
Consolidated Statement of Cash Flow
2020 and 2019 from January 1st to December 31st

	Notes	Unit: New Taiwan January 1 to December 31, 2020	Dollars in Thousands January 1 to December 31, 2019
<u>Cash flows from investing activities</u>			
Costs returned for financial assets at fair value through profit or loss	6(2)	\$ 1,105	\$ 295
Acquisition of financial assets at fair value through profit or loss	6(2)	(33,835)	(85,866)
Proceeds from disposal of financial assets at fair value through profit or loss		38,373	111,026
Acquisition of financial Assets at fair value through other comprehensive income acquired - non-Current	6(6)	-	(13,865)
Acquisition of financial Assets at fair value through other comprehensive income acquired - non-Current; consider a dividend returned at initial holding cost	6(6)	122,503	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(6)	61,530	-
Acquisition of financial assets measured at amortized costs - current		(8,521)	(25,760)
Disposal of financial assets measured at amortized costs - current		34,083	21,765
Investment under the equity method acquired	6(8)	(87,500)	(578,962)
Return of funds to reduced investment adopting the Equity method	6(8)	-	195,429
Investment in real estate properties, plants, and equipment	6(9)	(644,390)	(478,289)
Disposal the payment of real estate, plants, and equipment		39,033	558
Investment real estate acquired	6(12)	-	(102,941)
Acquisition of intangible assets	6(36)	(22,372)	(30,742)
Decrease (increase) in other financial assets		(532,258)	164,285
Proceeds from disposal of non-current assets held for sale		70,610	-
Increase in prepayments for equipment		(88,272)	(94,948)
Cash used in investing activities		(1,049,911)	(918,015)
<u>Cash flows from financing activities</u>			
Net increase (decrease) in short-term borrowings	6(37)	(573,000)	2,443,000
Net increase in short-term bills payable	6(37)	1,840,000	2,340,000
Amount of long-term borrowings	6(37)	27,275,000	26,250,413
Repayments of long-term borrowings	6(37)	(30,028,000)	(27,708,825)
Decrease (increase) in guarantee deposits received	6(37)	(4,742)	29,482
Cash dividends paid	6(23)	(1,003,254)	(2,006,508)
Principal elements of lease payments	6(10)(37)	(200,261)	(132,622)
Changes in non-controlling interest	6(34)	(455,929)	(288,281)
Reorganization	6(22)	-	(12,909)
Net cash generated from (used in) financing activities		(3,150,186)	913,750
The effect of changes of foreign exchange rates		2,677	(31,781)
Increase (decrease) of cash and cash equivalents – current period		(2,438,329)	3,153,597
Cash and cash equivalents at beginning of year		7,147,701	3,994,104
Cash and cash equivalents at the end of year		\$ 4,709,372	\$ 7,147,701

The notes to the consolidated financial statements are part of the consolidated financial statements, please refer them together.

Chairman: Jean, Tsang-Jiunn

Manager: Lee, Chih-Hung

Accounting Manager: Lin, Chin-Szu

Accountants' Audit Report

(2021) Cai-Shen-Bao-Zi No.20004573

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

Audit Opinions

We have audited the accompanying financial statements of Ruentex Development Co., Ltd. (the Company), which comprise the unconsolidated balance sheets as of December 31, 2020 and 2019 and the unconsolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Audit Opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements of Financial Institutions by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. In view of the audit result concluded by our representatives and the audits concluded by other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the Company for the year ended December 31, 2020. These matters were addressed in the context of our audit opinion of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's unconsolidated financial statements for the year ended December 31, 2020 are stated as follows:

Accuracy of Investment Balance Accounted for using equity method

Description of Key Audit Matters

The investment balance under equity method (including investments under the equity method for the listed liabilities) of the Company as of December 31, 2020 was NT\$121,177,526 thousand, representing 78.63% of total Assets. For the accounting policy related to investments under equity method, please refer to Unconsolidated Financial Statements Note 6(14). For the explanation on the accounts, please refer to Financial Statements Note 6(8).

Since the investments accounted for using equity method involves domestic and overseas investments at various levels with cross-holdings, it is considered to be a relatively complicated calculation. In addition, since the amount is significant and requires greater manpower to perform the audit, we are of the opinion that the accuracy of the investment balance under equity method shall be listed as one of the most important matters for the audit of the present year.

Corresponding Audit Procedures

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

1. We assessed the consistency of the internal control and the accounting process adopted by the management on the investments under equity method.
2. We obtained the investment profit/loss and equity account calculation form and the annual financial statements of investees audited by independent auditors from the management re-calculated the investment profit/loss and equity account amounts, and entered into account appropriately.

Assessment on Investment Balance Under Equity Method

For the accounting policy related to investments under equity method, please refer to Unconsolidated Financial Statements Note 4(14). For the explanation on the accounts, please refer to Financial Statements Note 6(8).

On December 31, 2020, the Company adopted the equity method to assess its subsidiary, Ruentex Engineering & Construction Co., Ltd. (hereinafter referred to as “Ruentex Engineering & Construction”). Under the consideration of comprehensive shareholding, since the investment balance under equity for Ruentex Engineering & Construction and the investment gain Ruentex Engineering & Construction in 2020 have significant impacts on the financial statements of the Company, we listed the key audit matters of Ruentex Engineering & Construction - assessment on Ruentex Engineering & Construction of construction income - construction completion progress and accuracy of time for Ruentex Engineering & Construction of construction cost as the key audit matters. The key audit matters of REC are respectively described in the following:

Accuracy of Time for Recognition of Construction Cost

Description of Key Audit Matters

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

Corresponding Audit Procedures

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

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

Accuracy of the Recognition of Construction Revenues

Description of Key Audit Matters

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

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

Corresponding Audit Procedures

For the abovementioned key audit matters, except for the accuracy of the recognition of construction incomes, other preformed audit procedures are summarized as the following:

1. Based on our understanding of the business operation and nature of industry of Ruentex Engineering & Construction, we assessed the internal operation procedures used in the estimation of construction total cost, including the quantitative unit of building structural drawings of owners in order to determine the procedures for each construction cost (contracting works and material/labor expense) and the consistency of the estimation method.
2. We assessed and tested the internal control procedures adopted by the management to recognize the construction income according to the construction completion progress, including verifying the evidence documents for the additional/reduction of construction works and major pricing constructions in the Current period.
3. Re-check the percentage of the completion of each construction, and review the accuracy of the recognition of the related construction incomes and if they have been accounted for.
4. We performed relevant verification procedures on the construction Income statement at the end of period, including inspecting the number of cost occurrences in the Current period, audited on the evidence documents of additional/reduction constructions, and re-calculated the construction income according to the recognition of construction completion progress, and recorded account appropriately.

Other Matters - Relevant audits by other independent auditors

For the investee listed in the aforementioned unconsolidated financial statements under equity method, its financial statements was not audited by our representatives, but was audited by other independent auditors. Accordingly, regarding our opinion on the aforementioned unconsolidated financial statements, relevant amount listed in financial statements of such company was based on the audit report by other independent auditors. As of December 31, 2020 and 2019, the investment balances under equity method (including investments under the equity method for the listed liabilities) for the aforementioned companies were NT\$5,036,152 thousand and NT\$ 12,610,411 thousand respectively, representing 3.27% and 10.64% of the total Assets respectively. For the period of 2020 and

January 1 to December 31, 2019 the share of profit of associates under equity method and other comprehensive income of the aforementioned companies were NT\$ (499,541) thousand and NT\$ 5,556,550 thousand respectively, representing 1.45% and 10.75% of the compressive income respectively.

Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

1. Identify and assess the risk of material misstatement of the unconsolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidences in order to be used as the basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made at the management level.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidences for the financial information of individual entity of the Company and provide opinions on its respective unconsolidated financial statements. We handle the guidance, supervision and execution of the audit on the Company and are responsible for preparing the audit opinion for the Company.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of the most significance in the audit of the unconsolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Chao-Ming Wang

CPA

Ming-chuan Hsu

Former Securities and Futures Commission, Ministry of Finance

Approval Certificate No.:(1996) Tai-Cai-Zheng (VI) No. 65945

Financial Supervisory Commission

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No. 1050029449

March 26, 2021

Ruentex Development Co., Ltd.
Unconsolidated Balance Sheet
December 31, 2020 and 2019

Unit: New Taiwan Dollars in Thousands

Assets	Notes	December 31, 2020		December 31, 2019		
		Amount	%	Amount	%	
Current Assets						
1100	Cash and cash equivalents	6 (1)	\$ 3,467,615	2	\$ 4,778,248	4
1150	Net bills receivable	6(2)	-	-	3,589	-
1170	Net Accounts Receivable	6(2)	9,435	-	5,510	-
1180	Accounts receivable - related parties - net	7	561	-	1,135	-
1200	Other receivables		5,819	-	3,225	-
1210	Other receivables - related parties	7	3,352	-	3,513	-
1220	Current income tax assets		12,566	-	12,579	-
130X	Inventories	6(3) and 8	23,070,044	15	22,040,418	19
1410	Prepayments		58,661	-	96,365	-
1470	Other current assets	6(4) and 8	1,112,104	1	419,208	-
11XX	Total Current Assets		<u>27,740,157</u>	<u>18</u>	<u>27,363,790</u>	<u>23</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(5)	37,262	-	-	-
1517	Financial Assets at fair value through other comprehensive income - non-Current	6(6) and 8	2,008,422	1	2,192,696	2
1535	Financial assets measured by amortized cost – non-current	6(7)	60,000	-	60,000	-
1550	Investment accounted for using the equity method	6(8), 7 and 8	121,181,202	79	86,617,850	73
1600	Property, plant, and equipment	6(9)	136,603	-	45,924	-
1755	Right-of-use assets	6(10)	691,052	1	21,349	-
1760	Net value of investment properties	6(11) and 8	1,953,200	1	1,981,227	2
1840	Deferred tax Assets	6(29)	203,882	-	106,430	-
1900	Other non-Current Assets	6(12) and 8	101,410	-	156,631	-
15XX	Total Non-Current Assets		<u>126,373,033</u>	<u>82</u>	<u>91,182,107</u>	<u>77</u>
1XXX	Total Assets		<u>\$ 154,113,190</u>	<u>100</u>	<u>\$ 118,545,897</u>	<u>100</u>

(Continued)

Ruentex Development Co., Ltd.
Unconsolidated Balance Sheet
December 31, 2020 and 2019

Unit: New Taiwan Dollars in Thousands

Liabilities and Equity		Notes	December 31, 2020		December 31, 2019	
			Amount	%	Amount	%
Current Liabilities						
2100	Short-term borrowings	6(13) and 8	\$ 2,100,000	2	\$ 2,790,000	2
2110	Short-term bills payable	6(14) and 8	4,358,912	3	2,228,457	2
2130	Contract liabilities - current	6(21) and 7	1,538,532	1	483,953	1
2150	Notes payable		37,814	-	53,591	-
2160	Notes payable - related party	7	152,324	-	211,658	-
2170	Accounts payable		79,279	-	132,518	-
2180	Accounts payable - related party	7	390,462	-	279,639	-
2200	Other payables	7	338,615	-	316,320	-
2230	Income tax liabilities of current period		1,080,091	1	-	-
2280	Lease liabilities - current	6(10)	85,931	-	16,233	-
2300	Other Current liabilities	6(15) and 8	6,085,560	4	7,829,981	7
21XX	Total Current Liabilities		<u>16,247,520</u>	<u>11</u>	<u>14,342,350</u>	<u>12</u>
Non-current liabilities						
2540	Long-term borrowings	6(15) and 8	20,246,911	13	20,689,330	18
2570	Deferred income tax liabilities	6(29)	1,695,097	1	1,558,069	1
2580	Lease liabilities - non-current	6(10)	621,853	-	5,247	-
2600	Other non-Current liabilities	6(8)(16)	1,057,479	1	1,058,084	1
25XX	Total Non-Current Liabilities		<u>23,621,340</u>	<u>15</u>	<u>23,310,730</u>	<u>20</u>
2XXX	Total Liabilities		<u>39,868,860</u>	<u>26</u>	<u>37,653,080</u>	<u>32</u>
Equity						
Capital 6(17)						
3110	Share capital		15,048,810	10	10,032,540	8
Capital surplus 6(18)						
3200	Capital surplus		18,147,191	12	18,136,402	16
Retained earnings 6(19)						
3310	Legal reserve		4,472,550	3	3,816,407	3
3320	Special reserve		507,767	-	29,523,666	25
3350	Undistributed earnings		37,360,519	24	6,561,429	5
Other Equities 6(20)						
3400	Other Equities		38,792,132	25	12,907,012	11
3500	Treasury stock	6(8)(17)	(84,639)	-	(84,639)	-
3XXX	Total Equity		<u>114,244,330</u>	<u>74</u>	<u>80,892,817</u>	<u>68</u>
Significant contingent liabilities and unrecognized contractual commitments		9				
Significant subsequent events		11				
3X2X	Total liabilities and Equity		<u>\$ 154,113,190</u>	<u>100</u>	<u>\$ 118,545,897</u>	<u>100</u>

The attached individual financial statement and notes are parts of this individual financial report, please refer to them all together.

Chairman: Jean, Tsang-Jiunn

Manager: Lee, Chih-Hung

Accounting Manager: Lin, Chin-Szu

Ruentex Development Co., Ltd.
Unconsolidated Statements of Comprehensive Income
2020 and 2019 from January 1st to December 31st

Unit: New Taiwan Dollars in Thousands
(Except earnings per share, which is in NT\$)

Item	Notes	2020		2019		
		Amount	%	Amount	%	
4000	Operation income	6(21) and 7	\$ 4,745,969	100	\$ 5,507,432	100
5000	Operation Cost	6(3)(22)(27)				
		(28) and 7	(3,584,972)	(76)	(4,246,396)	(77)
5900	Gross profit		1,160,997	24	1,261,036	23
5910	Unrealized sale gains		(2,195)	-	(2,842)	-
5950	Net gross operating profit		1,158,802	24	1,258,194	23
	Operating Expenses	6(16)(27)				
		(28) and 7				
6100	Selling and marketing expenses		(593,386)	(12)	(588,590)	(11)
6200	Administrative expense		(264,758)	(6)	(242,107)	(4)
6450	Expected credit impairment gains	6(27)	52	-	114	-
6000	Total Operating Expenses		(858,092)	(18)	(830,583)	(15)
6900	Operating Profit		300,710	6	427,611	8
	Non-operating Income and Expenses					
7100	Interest revenue	6(23)	34,411	1	71,281	1
7010	Other income	6(6)(24)and 7	30,016	1	27,377	1
7020	Other gains and losses	6(25)	(162,534)	(4)	(95,962)	(2)
7050	Finance costs	6(3)(10)(26)	(334,451)	(7)	(213,079)	(4)
7070	Share of other comprehensive gains and losses of subsidiaries, affiliates and joint ventures recognized using the Equity method	6(8)	9,836,388	207	9,018,363	164
7000	Total non-operating income and expenses		9,403,830	198	8,807,980	160
7900	Net profit before tax		9,704,540	204	9,235,591	168
7950	Income tax expense	6(29)	(1,146,889)	(24)	(167,639)	(3)
8000	Net Profit for the Period of the Continued Business Unit		8,557,651	180	9,067,952	165
8200	Net income of current period		\$ 8,557,651	180	\$ 9,067,952	165

(Continued)

Ruentex Development Co., Ltd.
Unconsolidated Statements of Comprehensive Income
2020 and 2019 from January 1st to December 31st

Unit: New Taiwan Dollars in Thousands
(Except earnings per share, which is in NT\$)

Item	Notes	2020		2019		
		Amount	%	Amount	%	
Other Comprehensive Income						
(Loss)						
Items may not be reclassified						
subsequently to profit or loss:						
8311	Remeasurements of defined benefit plans	6(16)	(\$ 2,652)	-	\$ 6,244	-
8316	Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(6)	(241)	-	(637,971)	(12)
8330	Share of other comprehensive income of subsidiaries, associates & joint ventures accounted for using equity method - items not to be reclassified into profit or loss	6(19)	(138,061)	(3)	(49,542)	(1)
8349	Income tax relating to non-reclassified items	6(29)	3,028	-	37,457	1
8310	Total of items not to be reclassified into profit or loss		<u>(137,926)</u>	<u>(3)</u>	<u>(643,812)</u>	<u>(12)</u>
Items may be reclassified						
subsequently to profit or loss						
8361	Exchange differences on translating foreign operations		(349,826)	(7)	(165,159)	(3)
8380	Share of other comprehensive income of subsidiaries, associates & joint ventures accounted for using equity method - items that may be reclassified to profit or loss	6(20)	26,332,679	555	43,756,726	795
8399	Income tax related to items may be reclassified into profit or loss	6(20)(29)	(58,600)	(1)	(309,682)	(6)
8360	Total of items may be reclassified subsequently to profit or loss		<u>25,924,253</u>	<u>547</u>	<u>43,281,885</u>	<u>786</u>
8300	Other comprehensive income (net)		<u>\$ 25,786,327</u>	<u>544</u>	<u>\$ 42,638,073</u>	<u>774</u>
8500	Total comprehensive income for the period		<u>\$ 34,343,978</u>	<u>724</u>	<u>\$ 51,706,025</u>	<u>939</u>
Earnings per share						
9750	Basic earnings per share	6(30)	<u>\$</u>	<u>5.88</u>	<u>\$</u>	<u>6.23</u>
9850	Diluted earnings per share		<u>\$</u>	<u>5.88</u>	<u>\$</u>	<u>6.23</u>

The accompanying notes are an integral part of the unconsolidated financial statements. Please review altogether.

Chairman: Jean, Tsang-Jiunn

Manager: Lee, Chih-Hung

Accounting Manager: Lin, Chin-Szu

Ruentex Development Co., Ltd.
Individual Equity Statement
2020 and 2019 from January 1st to December 31st

Unit: New Taiwan Dollars in Thousands

	Notes	Common share capital	Capital reserve	Retained earnings			Other equities	Treasury stock	Total Equity
				Legal reserve	Special reserve	Undistributed earnings			
<u>2019</u>									
Balance on January 1, 2019		\$ 10,032,540	\$ 18,013,510	\$ 4,829,705	\$ 17,450,088	\$ 13,066,788	(\$ 32,411,659)	(\$ 84,639)	\$ 30,896,333
Net income of current period	6(19)	-	-	-	-	9,067,952	-	-	9,067,952
Other Comprehensive Income	6(19)(20)	-	-	-	-	(44,119)	42,682,192	-	42,638,073
Total comprehensive income for the period		-	-	-	-	9,023,833	42,682,192	-	51,706,025
Appropriation and distribution of the earnings for 2018:	6(19)								
Legal reserve		-	-	993,210	-	(993,210)	-	-	-
Special reserve		-	-	-	12,073,578	(12,073,578)	-	-	-
Cash dividends from the legal reserve	6(19)	-	-	(2,006,508)	-	-	-	-	(2,006,508)
Dividends unclaimed by shareholders with claim period elapsed	6(18)	-	3,409	-	-	-	-	-	3,409
Changes in associates & joint ventures accounted for using equity method	6(18)(19)(20)	-	122,482	-	-	184,120	(10,045)	-	296,557
Change in ownership interests in subsidiaries	6(18)	-	9,910	-	-	-	-	-	9,910
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	6(6)(19)(20)	-	-	-	-	(2,646,524)	2,646,524	-	-
Changes in the Reorganization	6(18)	-	(12,909)	-	-	-	-	-	(12,909)
Balance on December 31, 2019		\$ 10,032,540	\$ 18,136,402	\$ 3,816,407	\$ 29,523,666	\$ 6,561,429	\$ 12,907,012	(\$ 84,639)	\$ 80,892,817
<u>2020</u>									
Balance at January 1, 2020		\$ 10,032,540	\$ 18,136,402	\$ 3,816,407	\$ 29,523,666	\$ 6,561,429	\$ 12,907,012	(\$ 84,639)	\$ 80,892,817
Net income of current period	6(19)	-	-	-	-	8,557,651	-	-	8,557,651
Other Comprehensive Income	6(19)(20)	-	-	-	-	(93,002)	25,879,329	-	25,786,327
Total comprehensive income for the period		-	-	-	-	8,464,649	25,879,329	-	34,343,978
Profit reversed as special reserve	6(19)	-	-	-	(29,015,899)	29,015,899	-	-	-
Appropriation and distribution of the earnings for 2019:	6(19)								
Legal reserve		-	-	656,143	-	(656,143)	-	-	-
Cash dividends		-	-	-	-	(1,003,254)	-	-	(1,003,254)
Share dividend		5,016,270	-	-	-	(5,016,270)	-	-	-
Reversal of dividends unclaimed by shareholders with claim period elapsed	6(18)	-	(351)	-	-	-	-	-	(351)
Changes in associates & joint ventures accounted for using equity method	6(18)	-	11,140	-	-	-	-	-	11,140
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	6(6)(19)(20)	-	-	-	-	(5,791)	5,791	-	-
Balance on December 31, 2020		\$ 15,048,810	\$ 18,147,191	\$ 4,472,550	\$ 507,767	\$ 37,360,519	\$ 38,792,132	(\$ 84,639)	\$ 114,244,330

The accompanying notes are an integral part of the unconsolidated financial statements. Please review altogether.

Chairman: Jean, Tsang-Jiunn

Manager: Lee, Chih-Hung

Accounting Supervisor: Lin, Chin-Szu

Ruentex Development Co., Ltd.
Individual Statements of Cash Flows
2020 and 2019 from January 1st to December 31st

	Notes	Unit: New Taiwan Dollars in Thousands January 1 to December 31, 2020	January 1 to December 31, 2019
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 9,704,540	\$ 9,235,591
Adjustment item			
Income and expenses			
Unrealized incomes among affiliates		20,194	20,709
Depreciation expense	6(27)	134,073	57,837
Expected credit impairment gains	6(27)	(52)	(114)
Interest Cost	6(26)	334,451	213,079
Interest revenue	6(23)	(34,411)	(71,281)
Dividend income	6(24)	(18,504)	(13,252)
Share of profit of associates accounted for using the equity method	6(8)	(9,836,388)	(9,018,363)
Loss (gain) on disposal of property, plant and equipment	6(9)(25)	535	(9)
Valuation profit on financial assets at fair value through profit or loss	6(5)(25)	(3,427)	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes Receivable		3,589	(1,536)
Accounts Receivable		(3,873)	14,935
Accounts Receivable – related Party		574	(1,135)
Other Receivable		(3,732)	3,512
Other receivables - related Party		161	1,194
Inventories		(985,943)	1,491,167
Prepaid Expenses		37,704	(21,794)
Other Current Assets		(608,184)	(3,747)
Net change in liabilities related to operating activities			
Contractual Liabilities - Current		1,054,579	99,673
Notes payable		(15,778)	10,946
Notes Payable – related Party		(59,334)	205,480
Accounts Payable		(53,239)	(59,674)
Accounts Payable – related Party		110,823	(62,862)
Other Payable		23,393	8,595
Other Current Liabilities		107,067	(4,974)
Other non-Current liabilities		(1,443)	(1,260)
Cash flow generated from (used in) operations		(92,625)	2,102,717
Interest received		35,549	71,147
Amount of interest Paid		(380,034)	(418,463)
Dividend received		1,219,164	1,040,924
Income Taxes Paid		(83,491)	(806,814)
Cash inflow from operating activities		<u>698,563</u>	<u>1,989,511</u>

(Continued)

Ruentex Development Co., Ltd.
Individual Statements of Cash Flows
2020 and 2019 from January 1st to December 31st

	Notes	Unit: New Taiwan Dollars in Thousands	
		January 1 to December 31, 2020	January 1 to December 31, 2019
<u>Cash flows from investing activities</u>			
Share capital returned from liquidation of subsidiaries	6(8)	\$ -	\$ 3,276,244
Investment under the equity method acquired	6(8)	(87,500)	(578,962)
Return of funds to reduced investment adopting the Equity method	6(8)	-	195,429
Investment in real estate properties, plants, and equipment	6(9)	(106,485)	(24,574)
Proceeds from disposal of real estate, plant and equipment	6(9)	42	9
Investment real estate acquired	6(11)	-	(49,905)
Increase in refundable deposits		(32,349)	(200,649)
Acquisition of financial Assets at fair value through other comprehensive income acquired - non-Current	6(6)	-	(11,068)
Disposal of financial Assets at fair value through other comprehensive income acquired - non-Current	6(6)	61,530	-
Acquisition of financial assets at fair value through profit or loss - non-current	6(5)	(33,835)	-
Acquisition of financial Assets at fair value through other comprehensive income acquired - non-Current; consider a dividend returned at initial holding cost	6(6)	122,503	-
Other decrease (increase) in non-Current Assets		2,858	(382)
Net cash inflow (outflow) from investing activities		(73,236)	2,606,142
<u>Cash flows from financing activities</u>			
Net increase (decrease) in short-term borrowings	6(32)	(690,000)	2,080,000
Net increase in short-term bills payable	6(32)	2,130,000	2,050,000
Amount of long-term borrowings		25,865,000	20,234,993
Repayments of long-term borrowings		(28,158,000)	(21,212,581)
Decrease (increase) in guarantee deposits received	6(32)	(5,490)	21,537
Principal elements of lease payments	6(10)(32)	(74,216)	(15,872)
Cash dividends paid	6(19)	(1,003,254)	(2,006,508)
Subsidiary equity acquired	6(8)	-	(3,550,274)
Cash used in financing activities		(1,935,960)	(2,398,705)
Increase (decrease) in cash and cash equivalents of current period		(1,310,633)	2,196,948
Cash and cash equivalents at beginning of year	6 (1)	4,778,248	2,581,300
Cash and cash equivalents at end of period	6(1)	\$ 3,467,615	\$ 4,778,248

The attached individual financial statement and notes are parts of this individual financial report, please refer to them all together.

Chairman: Jean, Tsang-Jiunn

Manager: Lee, Chih-Hung

Accounting Manager: Lin, Chin-Szu

Ruentex Development Co., Ltd.

Table of Comparison of Clauses Before and After Amendment of the
Company's Corporate Charter

After amendment	Before amendment	Description
<p>Article 7</p> <p>The total capital of the Company shall be <u>NT\$30 billion</u>, divided into <u>3 billion shares</u> at a par value of NT\$10 per share. The Board of Directors is authorized to issue these shares in phases, and may issue preferred shares.</p>	<p>Article 7</p> <p>The total capital of the Company shall be <u>NT\$20 billion</u>, divided into <u>2 billion shares</u> at a par value of NT\$10 per share. The Board of Directors is authorized to issue these shares in phases, and may issue preferred shares.</p>	<p>Total capital adjustment: Originally stated at <u>NT\$20 billion</u> divided into <u>2 billion shares</u>, adjusted to <u>NT\$30 billion</u> divided into <u>3 billion shares</u></p>
<p>Article 24</p> <p>The powers of the Board of directors are as follows: 1 to 7 (omitted) 8. Deciding the purchase, sale, division, exchange, creation of rights in rem of real estate, and other acts of disposal of property.</p>	<p>Article 24</p> <p>The powers of the Board of directors are as follows: 1 to 7 (omitted) 8. Deciding the purchase, sale, division, exchange and creation of rights in rem of real estate, and other acts of disposal of property <u>(The Company is a construction business, and all land and buildings shall be subject to resolutions of the Board of Directors).</u></p>	<p>Wording adjustment.</p>
<p>Article 37</p> <p><u>By adding the words "the 38th amendment to be made on 15 June 2021" to the original clause.</u></p>	<p>Article 37</p> <p>(Original clause).</p>	<p>Added the 38th amendment.</p>

IV. Appendixes

[Appendix 1]

Corporate Charter of Ruentex Development Co., Ltd.

Chapter 1 General Provisions

- Article 1 The Company is incorporated in accordance with the Company Act under the name of “Ruentex Development Co., Ltd.”
- Article 2 The business of the Company shall include the following areas:
1. E801010 Interior decoration business.
 2. F111090 Building materials wholesale business.
 3. F211010 Building materials retail business.
 4. H701010 Residential and building development rental business.
 5. H701040 Specific business area development.
 6. H701060 New towns and new community development business.
 7. H701070 Land expropriation and city rezoning agency services.
 8. H701080 Urban regeneration and reconstruction business.
 9. H703100 Real estate leasing business.
 10. F108031 Medical equipment wholesale business.
 11. F208031 Medical equipment retail business.
 12. F108011 Chinese medicine wholesale business.
 13. F108021 Western medicine wholesale business.
 14. F208011 Chinese medicine retail business.
 15. F208021 Western medicine retail business.
 16. F101081 Seedings wholesale business.
 17. F201061 Seedlings retail business.
 18. F401071 Seedings import and export business.
 19. H704031 Real estate agency and brokerage business.
 20. F401181 Weighing and measuring instrument import business.
 21. F101040 Livestock and poultry wholesale business.
 22. F101050 Aquatic products wholesale business.
 23. F101070 Fishing gear wholesale business.

24. F101130 Vegetable and fruit wholesale business.
25. F102020 Edible oil wholesale business.
26. F102030 Tobacco and wine wholesale business.
27. F102040 Beverage wholesale business.
28. F102050 Tea leaves wholesale business.
29. C104020 Baking and steamed food manufacturing business.
30. F102170 Food and goods wholesale business.
31. F102180 Alcohol wholesale business.
32. F103010 Feed wholesale business.
33. F104110 Fabrics, clothing, shoes, hats, umbrellas, and garment wholesale business.
34. F105050 Furniture, bedding, kitchen utensils, and furnishings wholesale business.
35. F106020 Daily necessities wholesale business.
36. F106030 Mold wholesale business.
37. F106040 Water containers wholesale business.
38. F106050 Ceramic glassware wholesale business.
39. F107010 Paint and coating materials wholesale business.
40. F107020 Dye and pigment wholesale business.
41. F107030 Cleaning supplies wholesale business.
42. F108040 Cosmetics wholesale business.
43. F107190 Plastic film and bag wholesale business.
44. F109070 Culture, education, musical instruments, and recreational products wholesale business.
45. F112040 Petroleum products wholesale business.
46. F113020 Electrical appliances wholesale business.
47. F113060 Measurement wholesale business.
48. F114040 Bicycles and parts wholesale business.
49. F115010 Jewelry and precious metals wholesale business.
50. F115020 Ore wholesale business.
51. F116010 Photographic equipment wholesale business.
52. F201010 Agricultural products retail business.
53. F201020 Livestock products retail business.

54. F201030 Aquatic products retail business.
55. F202010 Feed retail business.
56. F203010 Food, goods and beverage retail business.
57. F203020 Tobacco and alcohol retail business.
58. F203030 Alcohol retail business.
59. F204110 Fabrics, clothing, shoes, hats, umbrellas, and garments retail business.
60. F205040 Furniture, bedding, kitchen appliances, and furnishings retail business.
61. F206020 Daily necessities retail business.
62. F206040 Water containers retail business.
63. F207030 Cleaning supplies retail business.
64. F207050 Fertilizer retail business.
65. F207080 Environmental drug retail business.
66. F208040 Cosmetics retail business.
67. F207190 Plastic film and bag retail business.
68. IZ06010 Tally packaging business.
69. F209060 Culture, education, musical instruments, and recreational products retail business.
70. F215010 Jewelry and precious metal retail business.
71. F301010 Department store business.
72. F301020 Supermarket business.
73. F399010 Convenience store business.
74. F501030 Beverage store business.
75. F501060 Restaurant business.
76. G202010 Parking lot business.
77. F401021 Telecom control RF equipment import business.
78. ZZ99999 All other business areas that are not prohibited or restricted by laws and regulations, except those that are subject to special approval

Article 3 The headquarters of the Company shall be located in Taipei City, Taiwan. If necessary, the Company may, with a resolution adopted by a Board of Directors meeting, set up branches in Taiwan or abroad.

Article 4 The method with which the Company makes announcement shall be subject to Article 28 of the Company Act.

Article 5 The Company may provide guarantees externally.

Article 6 For the need of diversified operations and sustainable management, the Company may engage in operations and re-investments regarding all areas of business. The total amount of re-investment by the Company is exempt from the restriction under Article 13 of the Company Act that such an amount shall not exceed 40% of the paid-up capital of the Company.

Chapter 2 Capital Stock

Article 7 The total capital of the Company shall be NT\$20 billion, divided into 2 billion shares at a par value of NT\$10 per share. The Board of Directors is authorized to issue these shares in phases, and may issue preferred shares.

Article 8 All the shares of the Company are registered and shall be signed by or affixed with the seals of at least three directors. The shares may be issued only after they are legally certified. The Company may issue shares without printing share certificates.

Article 9 Any shareholder shall submit his/her real name and residential address to the Company, and shall fill out a signature card and send it to the Company to be filed for reference. When the shareholder subsequently receives dividends and exercises his/her stock rights, he/she shall only use the retained signature.

Article 10 To assign any registered share of the Company, the assigner and assignee shall sign and affix their seals on the back of the share certificate. They shall complete an application form for share assignment and transfer and apply to the Company for share transfer. Any share assignment not recorded in the shareholder register of the Company may not be invoked against the Company.

Article 11 Share certificates which are lost, stolen or stained and other stock-related matters shall be addressed in accordance with the applicable laws and the regulations of the competent authority.

Article 12 Where a share certificate is re-issued due to its loss or any other reason, a

service fee may be charged.

Article 13 Within 60 days before a regular shareholders' meeting is convened, 30 days before a special shareholders' meeting is convened or 5 days before the record date on which the Company has decided to distribute dividends, bonuses and other benefits, all changes of the names and transfers of shares shall cease.

Chapter 3 Shareholders' Meeting

Article 14 A shareholders' meeting is held in the form of a regular or special meeting. A regular meeting is held once every year, and the Board of Directors shall convene the regular meeting within six months after the end of each fiscal year in accordance with the law. A special meetings may be convened in accordance with the law if necessary.

Article 15 Any shareholder who is unable to attend a shareholders' meeting for whatever reasons may, in accordance with Article 177 of the Company Act, appoint a proxy by presenting a letter of attorney which indicates the scope of authority and which is signed by and affixed with the seal of the shareholder. A shareholder may only present one letter of attorney and appoint one person as proxy. Where one person has been appointed to act as a proxy for two or more shareholders, the voting rights exercised by the person may not exceed 3% of the total shares issued by the Company. Excessive voting rights shall not be counted. Where more than one representative has been appointed by any shareholder who is a juristic person, the voting rights exercised shall be calculated based on the number of shares held.

Article 16 A shareholders' meeting shall be chaired by the Chairman. Where the Chairman is absent, the appointment of his/her proxy shall be subject to Article 208 of the Company Act.

Article 17 A shareholder shall have one voting right for each share held, except for any share legally held by the Company itself, which does not have any voting right.

Article 18 Except as otherwise provided by the Company Act, any resolution of a shareholders' meeting shall be adopted by a majority of the voting rights held

by the shareholders present, with attendance of the shareholders representing a majority of the total shares issued.

Pursuant to the regulations of the competent authority, a shareholder of the Company may exercise voting rights in an electronic form. Any shareholder exercising voting rights in an electronic form will be deemed as having attended the shareholders' meeting in person, and all relevant matters shall be subject to the applicable laws and regulations.

Article 19 Matters subject to resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed by the chair or stamped with his/her seal and distributed to all shareholders within 20 days after conclusion of the meeting.

The meeting minutes may be prepared and distributed in an electronic form. The meeting minutes shall be signed by or affixed with the seal of the chair and legally retained. Matter related to the meeting minutes shall be subject to Article 183 of the Company Act.

Chapter 4 Directors and Audit Committee

Article 20 The Company shall have 7 to 11 directors serving a three-year term, during which liability insurance shall be purchased to cover their legal liability for compensation within the scope of their business. The election of directors shall be held under a candidate nomination system, where the shareholders will elect the directors from a list of candidates in accordance with Article 198 of the Company Act. The directors may be re-elected.

Among the directors, the number of independent directors shall be at least three and may not be less than one-fifth of the number of directors.

The elections of independent and non-independent directors shall be held at the same time, with the numbers of elected directors calculated separately.

The total amount of registered shares held by all the directors may not be less than the percentage required by the competent authority.

Article 21 Where at least one-third of the seats of directors are vacant, the Board of Directors shall convene a special shareholders' meeting within 60 days to hold a by-election. The term of each director elected as such shall be limited

to the remaining term of his/her predecessor.

Article 22 Upon expiration of the term of directors, if a new election is unable to be held in time, the term shall be extended for the performance of their duties until newly-elected directors take office.

Article 23 The Board of Directors shall consist of the directors of the Company. The Chairman and Vice Chairman shall be elected by a majority of the directors present, with the attendance of at least two-thirds of directors. The Chairman and Vice Chairman shall execute all affairs of the Company in accordance with the applicable laws and regulations, the Articles of Association and resolutions of the shareholders' meeting and Board of Directors. The Chairman shall externally represent the Company.

Article 24 The Board of Directors shall have the following responsibilities:

1. Convening a shareholders' meeting and executing its resolutions.
2. Determining business policies.
3. Reviewing budgets and final accounts.
4. Reviewing all relevant regulations and rules.
5. Deciding the establishment or abolition of branches.
6. Making proposals for profit distribution or loss make-up.
7. Making proposals for capital increase or reduction.
8. Deciding the purchase, sale, division, exchange and creation of rights in rem of real estate, and other acts of disposal of property (The Company is a construction business, and all land and buildings shall be subject to resolutions of the Board of Directors).
9. Deciding matters concerning applications by the Company to financial institutions for financing and loans.
10. Other responsibilities under the applicable laws and regulations, and those given by the shareholders' meeting.

Article 25 The management policies of the Company and other important matters shall be subject to resolutions of the Board of Directors. Except for the first meeting of each new Board of Directors which shall be convened in accordance with Article 203 of the Company Act, all other such meetings shall be convened and chaired by the Chairman. Where the Chairman is unable to perform

his/her functions, the appointment of his/her proxy shall be subject to Article 208 of the Company Act.

The reasons for convening a Board of Directors meeting shall be specified in a notice sent to all directors 7 days prior to the meeting. Such a meeting may be convened at any time in case of emergency events.

With consent of the addressee, the meeting notice under the preceding paragraph may be sent in an electronic form.

Article 26 Unless otherwise provided for in the Company Act, any resolution of a Board of Directors meeting shall be adopted by a majority of the directors present, with the attendance of a majority of directors. In accordance with Article 205 of the Company Act, a director may appoint any other director as his/her proxy to attend a Board of Directors meeting, or may attend such a meeting through video conferencing.

Article 27 The resolutions of a Board of Directors meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed by and stamped with the seal of the chair and distributed to all directors within 20 days after conclusion of the meeting. The meeting minutes shall record the time, date and place of the meeting, the chair's name, the methods by which resolutions are adopted, a summary of the meeting proceedings and results. The meeting minutes shall be kept together with the book of director attendance by the Company.

Article 28 In accordance with Article 14-4 of the Securities and Exchange Act, the Company has established an Audit Committee. The Audit Committee shall consist of all the independent directors. The Audit Committee or its members shall be responsible for performing the duties of supervisors specified in the Company Act, Securities and Exchange Act and other applicable laws and regulations.

In accordance with the “Regulations Governing the Exercise of Powers by Audit Committees of Public Companies”, the regulations governing the functions and relevant matters of the Audit Committee shall be separately set out in the “Rules of Organization of the Audit Committee”.

Article 29 If the Chairman is on leave or unable to exercise his/her function for whatever reasons, the appointment of his/her proxy shall be subject to Article 208 of the Company Act.

Article 30 The Board of Directors is authorized to determine the compensation for each director based on the extent of his/her involvement in and value of his/her contribution to the operations of the Company. Regardless of whether the Company has profits or losses, the compensation may be paid at the general level of standards of the industry.

Chapter 5 Managers

Article 31 The Company may have managers. Their appointment, discharge and compensation shall be subject to Article 29 of the Company Act.

Chapter 6 Accounting

Article 32 A fiscal year of the Company shall be the period from January 1 to December 31. At the end of each fiscal year, the Board of Directors shall prepare (1) a business report; (2) financial statements; and (3) proposal for profit distribution or loss make-up, and submit them to the shareholders' meeting for ratification.

Article 33 0.3% to 5% of the net profit before tax in each fiscal year prior to deduction of the remuneration for employees shall be appropriated as the remuneration for employees. If the Company has accumulated losses, an equivalent amount from the profit earned shall be reserved to make up for losses.

The remuneration for 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.

Article 34 The Company shall not distribute dividends and bonuses when there is no profit.

Article 35 The Company's net income, if any, shall be applied to pay taxes and make up for losses, and then 10% shall be appropriated for legal reserve. In addition, special reserve will be appropriated or reversed according to laws and regulations. The remaining amount, if any, plus the undistributed earnings-beginning will be available for distribution according to the

proposal of the Board of Directors, which shall be retained or distributed according to the resolutions adopted by the shareholders' meeting.

Article 35-1 The Company's dividend policy adopts the remaining dividend policy. According to the future capital budget planning, the future capital demand of the Company is measured, and after the necessary capital is retained for financing purpose, the remaining earnings can then be distributed in the method of cash dividend.

Chapter 7 Supplementary Provisions

Article 36 Matters not provided for in these Articles of Association shall be subject to the relevant provisions of the Company Act.

Article 37 These Articles of Association were established on August 10, 1977. First amendment on September 3, 1977. Second amendment on October 16, 1978. Third amendment on January 30, 1981. Fourth amendment on April 1, 1981. Fifth amendment on September 26, 1983. Sixth amendment on April 10, 1984. Seventh amendment on June 15, 1987. Eighth amendment on July 27, 1987. Ninth amendment on December 8, 1987. Tenth amendment on April 20, 1989. Eleventh amendment on November 28, 1989. Twelfth amendment on February 19, 1990. Thirteenth amendment on February 25, 1991. Fourteenth amendment on March 14, 1992. Fifteenth amendment on April 27, 1993. Sixteenth amendment on April 8, 1994. Seventeenth amendment on May 25, 1995. Eighteenth amendment on June 27, 1996. Nineteenth amendment on April 25, 1997. Twentieth amendment on April 8, 1998. Twenty-first amendment on June 24, 1999. Twenty-second amendment on June 22, 2000. Twenty-third amendment on May 23, 2001. Twenty-fourth amendment on June 17, 2002. Twenty-fifth amendment on June 13, 2003. Twenty-sixth amendment on June 25, 2004. Twenty-seventh amendment on June 28, 2005. Twenty-eighth amendment on May 22, 2006. Twenty-ninth amendment on June 12, 2007. Thirtieth amendment on June 23, 2010. Thirty-first amendment on December 31, 2010. Thirty-second amendment on June 9, 2011. Thirty-third amendment on June 5, 2012. Thirty-fourth amendment on June 10, 2013. Thirty-fifth amendment on June 15, 2015. Thirty-sixth amendment on June 14, 2016. Thirty-seventh amendment on June 15, 2017.

Rules of Procedure for the Shareholders' Meetings of Ruentex Development Co., Ltd.

Adopted by the shareholders' meeting on February 19, 1990

First amendment by the shareholders' meeting on April 8, 1998

Second amendment by the shareholders' meeting on June 17, 2002

Third amendment by the shareholders' meeting on June 10, 2013

Fourth amendment by the shareholders' meeting on June 15, 2015

1. The shareholders' meeting of the Company, except as otherwise provided by applicable laws and regulations and the Articles of Association, shall be governed by these Rules.
2. A "shareholder" under these Rules shall mean any shareholder and the proxy attending the meeting on behalf of the shareholder.
3. The Company shall prepare an attendance book for any attending shareholder to sign in, or the attending shareholder may hand in a sign-in card as an alternative. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in, plus the number of shares whose voting rights are exercised in a written or electronic form.
4. At a shareholders' meeting convened by the Company, any shareholder may choose to exercise voting rights by electronic or on-site voting.

Any shareholder exercising voting rights by electronic voting shall be subject to the Company Act, Securities and Exchange Act and Regulations Governing the Administration of Shareholder Services of Public Companies.

Shares shall be the basis for counting the attendees at a shareholders' meeting. The number of shares in attendance shall be calculated according to the number of shares indicated by the sign-in cards handed in, plus the number of shares whose voting rights are exercised in an electronic form. For any shareholder who exercises voting rights in an electronic form and who attends the shareholders' meeting in person, the number of shares in attendance may not be counted twice. Any share held by the Company itself does not have any voting right.

5. The shareholders' meeting shall be held at the location where the Company is headquartered or a location convenient for the shareholders to attend the meeting and suitable for convening the shareholders' meeting. The start time of the meeting shall be no earlier than 9 a.m. and no later than 3 p.m.
6. Any shareholders' meeting convened by the Board of Directors shall be chaired by the Chairman

of the Board. If the Chairman is on leave or unable to exercise his/her function for whatever reasons, the Vice Chairman shall act on his/her behalf. In the absence of a Vice Chairman or where the Vice Chairman is also on leave or unable to exercise his/her function for whatever reasons, the Chairman shall appoint one of the directors to act on his/her behalf. Where the Chairman does not make such appointment, the directors shall select one of them to act on behalf of the Chairman.

If a shareholders' meeting is convened by any person other than the Board of Directors and who has the right to do so, the meeting shall be chaired by that person. Where there are two or more such persons, they shall select one of them to serve as the chair.

7. Attorneys, accountants or other related persons entrusted by the Company may attend a shareholders' meeting.

Any person managing the administrative affairs of a shareholders' meeting shall wear an identification badge or armband.

8. Audio or video records for the process of a shareholders' meeting shall be made and retained for at least one year.

9. The chair of a shareholders' meeting shall call the meeting to order at the designated start time. If the shareholders present do not represent a majority of the total shares issued, the chair may postpone the meeting twice at most, and the duration of postponement shall not exceed one hour in total. If the shareholders present after the second postponement, while still not meeting the quorum, represent at least one third of the total shares issued, a tentative resolution may be adopted in accordance with Paragraph 1, Article 175 of the Company Act.

If the shareholders present before the end of the meeting already represent a majority of the total shares issued, the chair may re-propose the tentative resolution for voting at the meeting in accordance with Article 174 of the Company Act.

10. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in accordance with the set agenda, which may not be changed without a resolution of the meeting. If any shareholder is in violation of the procedure, the chair shall immediately stop him/her from speaking and ask him/her to propose an extempore motion instead.

The preceding paragraph shall apply *mutatis mutandis* to any shareholders' meeting convened by any person other than the Board of Directors and who has the right to do so.

With respect to the set agenda under the preceding two paragraphs (including extempore motions), the chair may not unilaterally adjourn the meeting without a resolution before it ends.

If the chair declares an adjournment in violation of these Rules, a new chair may be elected by a majority of the voting rights of the attending shareholders to continue the meeting.

After the meeting is adjourned, the shareholders may not elect another chair or find another venue to resume the meeting.

11. Before any shareholder attending a shareholders' meeting delivers a statement, the shareholder shall submit a speaker's slip containing the subject of his/her statement and his/her account number (or attendance card number) and account name. The chair shall determine the order in which the shareholder delivers his/her statement.

Any shareholder who has submitted a speaker's slip without delivering his/her statement shall be deemed as not having delivered any statement at all. In the event of any inconsistency between the statement delivered and that contained in the speaker's slip, the statement delivered shall prevail.

When a shareholder is delivering his/her statement, any other shareholder may not interrupt with his/her own statement without consent by both the chair and the shareholder delivering his/her statement. The chair shall stop any such interruption.

12. Unless the chair gives consent, no shareholder may deliver his/her statement more than twice on the same proposal, and each statement may not be delivered for more than five minutes.

If any shareholder's statement violates these Rules or exceeds the scope of the proposal, the chair may stop the delivery of his/her statement.

13. Any juristic person to be present at the shareholders' meeting as a proxy may only send one representative to the meeting.

Where any shareholder who is a juristic person has sent two or more representatives to attend the shareholders' meeting, only one of them may be selected to deliver a statement on a proposal.

14. After the attending shareholders have delivered their statements, the chairperson may give or have designated persons give responses.

15. If the chair determines that any proposal has been sufficiently discussed and can be put to a vote, he/she may end the discussion and submit the proposal to a vote.

16. Personnel responsible for monitoring and counting the votes on proposals shall be designated by the chair. Any vote monitor shall be a shareholder. The voting result shall be announced on-site, with a record made in this regard.

17. During the the process of the meeting, the chair may announce a break at any time deemed appropriate by him/her. In the event of force majeure, the chair may suspend the meeting and

announce a time for the resumption of the meeting depending on the circumstances.

If the meeting venue is no longer available for continued use before all of the items (including extempore motions) on the meeting agenda have been completed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted by the shareholders' meeting to postpone or resume the meeting within five days.

18. Except as otherwise provided in the Company Act and the Articles of Association, a proposal shall be adopted by a majority of the voting rights represented by the attending shareholders. A proposal shall be deemed as adopted if, after the chair has consulted the attending shareholders, no objection has been raised against it. Any proposal adopted in such a manner shall be equally effective as that adopted by voting.

19. Where there is any amendment or alternative proposal, the chair shall determine the order in which the amendment or alternative proposal and the original one are put to a vote. If one of the proposals is adopted, the other proposals shall be deemed as rejected, and no further voting is required.

20. The chair may direct disciplinary officers (or security guards) to help maintain order at the meeting. A disciplinary officer (or security guard) shall wear an identification armband with the word "Discipline" while performing his/her duties.

At the place of the shareholders' meeting, if any shareholder speaks through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from doing so.

When any shareholder violates these Rules and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct disciplinary officers or security guards to escort the shareholder out of the meeting.

21. During the process of the meeting, if a civil defense siren goes off, the meeting shall be suspended with evacuation of the attendees. The meeting shall resume one hour after the end of the siren.

22. Matters not provided for in these Rules shall be subject to the meeting rules issued by the Ministry of the Interior.

23. These Rules and any amendment thereto shall be implemented after they are adopted by the shareholders' meeting.

Shares Held by the Directors of Ruentex Development Co., Ltd.

Book closure date for the shareholders' meeting: April 17, 2021

1. List of the minimum number of shares held by all directors and the numbers of shares held by the shareholders in the shareholder register:

Title	Legally required percentage of shareholding	Legally required number of shares held	Number of shares recorded in the shareholder register
All directors	3.0%	36,117,143	418,464,022
Total	3.0%	36,117,143	418,464,022

Note: In accordance with the [Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies], the Company has elected 3 independent directors. For all directors other than the independent directors, the percentage of shareholding calculated with the legal ratio has been lowered to 80%.

2. List of shares held by directors:

Title	Name	Date of election	Term (years)	Number of shares held, as recorded in the shareholder register	
				Number of shares	% of shares held
Chairman	Yingjia Investment Co., Ltd. Representative: Jean, Tsang-Jiunn	June 9, 2020	3	18,405,792	1.22
Director	Ruentex Industries Ltd. Representative: Yin Wong, Yee-Fan	June 9, 2020	3	386,766,036	25.70
	Ruentex Industries Ltd. Representative: Yin, Chung-Yao	June 9, 2020	3		
	Ruentex Xing Co. Ltd. Representative: Lee, Chih-Hung	June 9, 2020	3	13,292,194	0.88
	Ruentex Xing Co. Ltd. Representative: Chen, Li-Yu	June 9, 2020	3		
	Yingjia Investment Co., Ltd. Representative: Ho, Kai-Lin(Note3)	June 9, 2020	3	18,405,792	1.22

Independent Director	Ko,Shun-Hsiung	June 9, 2020	3	–	–
	Zhao,Yi-Long	June 9, 2020	3	–	–
	Chang,Guo-Zhen	June 9, 2020	3	–	–
Total number of shares held and ratio of shareholding by all directors				418,464,022	27.80

Note 1: The Company set up an Audit Committee in June 2016.

Note 2: The number of shares issued on 2020/08/25 (record date of capital increase) has been changed to 1,504,809,980.

Note 3: The representative of director from Yingjia Investment Co., Ltd was replaced to Ho,Kai-Lin from Yang ,Wen-Chuen sine 2020/7/3.