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Ruentex Development Co., Ltd.

2021 ANNUAL REPORT

Printed on April 30, 2022

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V. CPA of Financial Statements of the Most Recent Year:

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Phone: (02) 2729-6666

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VI. Name of overseas exchange where securities are listed, and the methods for inquiring the foreign-listed securities: None.

VII. Corporate website: <http://www.rt-develop.com.tw>

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Appendix A: 2021 Consolidated Financial Statement & CPA Audit Report

Appendix B: 2021 Individual Financial Statement & CPA Audit Report

I. Report to Shareholders

Dear shareholders, ladies, and gentlemen:

I. Business Report of 2021

(1) Achievements of the Business Plan

Here at the Company in 2021, the consolidated revenue came to NT\$27.29388 billion some (Expressed in New Taiwan Dollars, as equally applicable hereinafter); the net profit attributable to the parent company's owners came to NT\$16.24254 billion some; the consolidated profit attributable to the parent company's owners came to NT\$4.1054 billion; the earnings per share (EPS) after tax came to NT\$7.98; the total consolidated assets came to NT\$191.78036 billion some; the consolidated total liabilities came to NT\$68.67581 billion some and the consolidated equity came to NT\$123.10455 billion.

In terms of the construction industry, the prime revenues in the preceding year came as revenues from such construction projects in The Silk Court, Botanic Garden Villa and Ruentex Fenghui. The project being under construction process was Ruentex Feng Hui developed by subsidiary Ruentex Innovation Development Company. That Project has been satisfactorily completed and handed over to customers along with ownership transfer registration in full. Besides, the Company's Ruentex Ding Feng, Ruentex Wen Hua are scheduled to be completed by the middle of next year. The Company's Ruentex Yang Bei, Ruentex Daan Fuyang and the project Qing Tian 618 of Subsidiary Ruentex Construction & Development Co., Ltd. are being sold at the same time amidst the construction process. The non-operating income was mainly attributed to the recognition of the interest of investee Nan Shan Life Insurance of Ruen Chen Investment Holdings as well as the interest from investees of Ruentex Industries and Sunny Friend Environmental Technology. Furthermore, the stable income from the rent and mall operations of two BOT projects: Ruentex Xuzhan and Ruentex Baiyi also contributed to the interest from reinvestments.

(2) Budget Achievement

The Company does not disclose its financial forecast for 2021 to public in accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies". The budget achievement is, therefore, not applicable.

(3) Analysis of Revenue and Expenditures and Profitability

		Expressed in Thousand New Taiwan Dollars %	
		2021	2020
Revenue and Expenditures	Operation income	27,293,884	19,084,589
	Gross profit	5,729,949	3,939,569
	Operating Profit	3,596,850	2,085,007
	Net Profit After Tax	17,490,688	9,275,392
Portability	Return on Assets (%)	9.51	5.84
	Return on Equity (%)	13.42	8.38
	Operating Income to Capital Stock (%)	17.07	13.85
	Profit Before Tax to Capital Stock (%)	85.27	71.62
	Profit Margin (%)	64.08	48.60
	Equity per Share (NT\$)	7.98	4.20

(4) Research and development

The Research & Development Team of the Company's Subsidiary Ruenhung Precision

Engineering Industrial Co., Ltd. sets the “Labor-Conservative Construction”, “Net 0 Construction” and “Evolutionary Construction” as the principal spindles in its research & development for the year. By means of such endeavors through mechanization, automation, 3D printing and material upgrading, new specifications, new engineering approaches, that Subsidiary shall check and examine the existent technologies. Teaming up with the trend of the worldwide trends, that Subsidiary puts forth maximum possible efforts to achieve energy conservation and carbon reduction targets in concert with continued efforts in research and development improvement, including notably rational construction, intellectually oriented production and information-based management and the like to lay a new generation foundation in competition for the company to, in turn, lead to creation of an ambiance of innovative research and development in the industry further into industrial upgrade. Through concerted endeavors, it will jointly strive toward more comfortable, safer, environmentally friendly, sustainable and energy-conservation oriented living spaces. Another subsidiary Ruentex Materials Co., Ltd. develops high-performance niche products through innovation and R&D from the consumer’s point of view. In response to climate change and the rise of environmental protection awareness, it constantly optimizes new-typed cement-based construction materials for the energy conservation and carbon reduction of construction materials. In addition, while offshore wind power is the focus of the government's green energy development policy, our submarine grouting material ShifuGrout U799 for use at the foundation of offshore wind farms has passed the certification by DNV GL Business Assurance Co., Ltd. (DNV-GL). In the future, we will enter the submarine grouting material market for offshore wind farms in Taiwan and overseas. Furthermore, we are engaging in the R&D of wind farm related products, such as the thermal transfer compounds and foundation grouting materials for onshore wind turbines.

II. The Business Plans for 2022 in Summary

(1) Operational Policy

With respect to our core competencies: Foreseeing the market and quickly capturing core operational knowhow to promptly reproduce successful experiences with highly-efficient teams, we will engage in the construction business and newly developed business. In construction business, we will focus on the rail economy to develop construction projects in appropriate locations near the Taipei Metro in the Greater Taipei area. We will also proactively assess various government infrastructure projects and BOT joint-development projects, in order to create stable profit for the Company through real property operations.

(2) Expected Sales and Bases:

The construction cases anticipated saleable from the Company in the present year include Botanic Garden Villa, The Silk Court, Ruentex Daan Fuyang (in pre-construction sale), Runtai Xinyi (in pre-construction sale), Sanchung Wuguwang Project A and Project B (in pre-construction sale) and the Subsidiary Ruentex Construction & Development Co., Ltd.'s Qing Tian 618 Project (in pre-construction sale) and the like. The Company will still accomplish the anticipated sales targets with the Company's brand name and differentiated marketing. Other than these cases, there are still quite more cases being under construction process including notably MRT Sanchong Station Concerted Development Project and the Subsidiary Ruentex Innovation and Development Company's construction project at Nangang Yucheng Section. Moreover, the Company is still proactively developing a variety of potential concerted construction cases to bring up added profits to the Company at the most appropriate costs.

For commercial real estate, the hotels and shopping malls managed by our subsidiaries, Ruentex Xuzhan and Ruentex Baiyi, were affected by the negative impact posed by the COVID-19 pandemic. However, they still actively launched various marketing campaigns to attract more customers and maintain a stable profit despite the overall unfavorable market

conditions. The Songshan Store No. 2, the CITYLINK Neihu Store and the franchise TUTAYA BOOKSTORE established by the Company's Subsidiary Ruentex Construction International Co., Ltd. set up and opened the Songshan Station-Front Store, Neihu Store, Nangang Store and the Kaohsiung Dali Store in Years 2017, 2018, 2019 and 2020 respectively. Further in 2021, in an attempt to expand the business horizons and provide a brand new store model with the innovative concept of WORK STYLE, the original Songshan Station-Front Store was relocated into the CITYLINK Songshan Store No. 1. Through the access connection with Nangang, Songshan Station and Neihu MRT Station, we successfully create a rail-based economy into mutual benefits and common prosperity.

(3) Important Production-marketing Policies:

In addition to land development and investments in housing and commercial building construction and re-investments in the elderly care business, we will embark on medium- and long-term land development, covering projects such as urban renewal (regeneration), urban planning change, land change, leisure, MRT joint-development, station compound commercial building development, and the creation of a right of superficies to diversify operations. To enforce the “housing for everyone” customer service concept, we will continue with innovation and development to create profit for the company with better project planning, construction and service quality. In addition, in terms of retail and wholesale business, the focus is mainly on operating shopping malls, self-operated counters, and selling a wide variety of products that are closely related to food, clothing, and housing. In the future, we will continue to develop our own branded products and introduce new international products to create more brilliant achievements.

(4) Influence of External Competition, Legal Environment, and Macro Business Environment:

In the preceding year (2021) amidst the ordeal by COVID-19 spread, we underwent very significant fluctuation in the financial markets that, in turn, led to an adverse impact upon the world economy. While the government authority timely launched the QE Policy along with other measures to rescue economy, we spent our capital funds to strive for value-secured instruments in the markets. Thanks to such prudential policy, we accomplished a moderate growth in the real property markets. In the present year, i.e., 2022 while the Central Bank launches selective credit control measures and amends the House & Land Tax Integration System, the real property market turns toward a conservative trend. Looking forward to the present year, the COVID-19 ordeal is believed to slow down the impact as more and more people have been vaccinated. The geopolitical tensions and supply chain bottlenecks will, on the other hand, still push up the upward pressure on the commodity prices the world over that tend to constrain the momentum of economic growth in the present year.

With goodwill accumulated for the past 40 years or so, the full support of all shareholders, and the cohesion and concerted efforts of all employees, I believe an outstanding performance will be created in the future. 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

President: Lee, Chih-Hung

Accounting Manager: Lin, Chin-Tzu

II. Company Profile

I. Date of Establishment: September 12, 1977

Tax ID Number: 12139612

II. Corporate History

With an authorized capital and paid-in capital amounting to NT\$15,000,000, we were established on the 7th floor, No. 71, Minquan East Road, Taipei City, on September 12, 1977 in the name of “Ruentex Construction International Co., Ltd.” to specialize in the investment and construction of general housing. Adhering to a business philosophy emphasizing “Pragmatism and Quality”, we won public recognition and appraisal for our construction quality achieved by stringent engineering management.

1992: Approved for public offering by the Securities and Futures Commission of the Ministry of Finance and officially listed on the Taiwan Stock Exchange for trading on April 30, 1992.

Approved for capitalization of retained earnings at NT\$529,000,000, raising the paid-in capital to NT\$1,851,500,000.

Launched projects including: Ruentex Shengli Court, Ruentex Dahu Mansion Phases II and III, Ruentex Tamkang Life Master, and Ruentex Dunnan Wonder.

1993: Launched Taiwan’s first senior housing project Ruen Fu Second 30s in Tamsui through technological cooperation with the The Chugoku Bank, LTD.

Established the Ever Pioneer Steel Corporation in collaboration with the Evergreen Group for a big step forward toward operations diversification.

Approved for issuing registered preferred Shares A amounting to NT\$700,000,000 to strengthen corporate finance and increase the ratio of self-owned funds. The paid-in capital after capital increase amounted to NT\$2,551,500,000.

Issued unsecured corporate bonds amounting to NT\$650,000,000.

Launched projects including: Ruentex Wonders and NTU Royal Garden Phases I and II.

1994: Approved for capitalization of retained earnings at NT\$555,450,000, raising the paid-in capital to NT\$3,106,950,000.

Established Ruentex Construction International Co., Ltd. in Hong Kong to engage in real estate investments in Singapore and Hong Kong to expand business territory overseas.

Approved by the MOF to issue a seven-year-term foreign currency convertible bond (FCCB) amounting to CHF72,500,000 with a 2% interest rate after tax per annum. The completion of fundraising in August marked the Company’s success in internationalization.

Approved for transfer of capitalization of retained earnings at NT\$481,390,000,

- raising the paid-in capital to NT\$3,588,340,000.
- Approved for issuance of five-year-term secured corporate bonds amounting to NT\$300,000,000 to further improve financial structure and cut interest expenses.
- Launched projects including: NTU Royal Garden Phase II, Ruentex Jinghua Court, Ruentex Lee Garden, Ruentex Scenery, and Ruentex Sunshine Mansion.
- 1995: Set up an overseas location Ruentex Construction International BVI in response to operations diversification and internationalization to expand the territory of operations and investments and the foundation for procurement of construction materials.
- Approved for capitalization of retained earnings at NT\$346,600,800, raising the paid-in capital to NT\$3,934,940,800.
- Approved for issuance of 82,000,000 new shares for capital increase, raising the paid-in capital to NT\$4,754,940,800, to enrich operational capital and raise funds for construction.
- 1996: Approved for issuance of three-year-term unsecured corporate bounds amounting to NT\$350,000,000 to improve financial structure and cut interest expenses.
- Launched projects including: Taichung Wonders, Dahu Mansion, Liren, Xinglong Lee Garden, and Dunnan Mansion.
- 1997: Approved for issuance of three-year-term unsecured corporate bounds for the fourth and fifth times amounting to NT\$320,000,000 and NT\$260,000,000 respectively.
- Established a wholesale market in Hsinchu to enter the wholesale business.
- Approved for issuance of 100,000,000 registered common shares for capital increase to pay land value, construction cost, and related expenses and repay bank loans. The paid-in capital after capital increase amounted to NT\$5,754,940,800.
- Resolved by shareholders' meeting to convert 70,000,000 registered preferred Shares A issued in August 1993 into common shares at one time.
- Launched projects including: Ruentex Vista 21, Ruentex Zhongzheng National Treasure, Ruentex Family, Jinhua Court Phase II, and Ruentex Dunpin. Ruentex Dunpin was rated as one of the top ten legendary projects in Greater Taipei in 1997 by *Great News*.
- 1998: Approved for capitalization of capital surplus at NT\$575,494,080 and issuance of 150,000,000 registered common shares for capital increase, raising paid-in capital to NT\$7,830,434,880.
- Acquired ISO 9002 international certification for quality management systems.
- Launched the project: Taipei Riches.
- 1999: Launched the project: Antai Summit.
- 2000: Acquired ISO 14001 international certification for environmental management systems.
- Won three awards from the Chinese Architecture Golden Stone Awards: Antai

- Summit for construction quality, and Ruentex Sunrise and Taipei Riches for planning and design.
- 2001: Ruentex Oasis won the Special Award at the 9th Chinese Architecture Golden Stone Awards.
- 2002: Approved for name change to Ruentex Development Co., Ltd. by the MOEA.
Rated as a benchmark construction company by Common Wealth magazine for the first time.
- 2003: Launched projects including: Ruentex Privilege and Ruentex Capital.
- 2004: Launched projects including: Fuxing GOGO and Ruentex Emerald.
- 2005: Launched projects including: Ruentex Dunren, Ruentex Nanjing Royal Palace, and Ruentex Oriental Ritz. Ruentex Dunren won the 1st Structure Accreditation Building (design) Mark and certificate from the Ministry of the Interior.
- 2006-07: Acquired the development rights of the two major BOT projects: Nangang Railway Station and Songshan Railway Station.
- 2007: Subsidiary Ruentex Engineering & Construction Co., Ltd. was approved for public offering by the Financial Supervisory Commission (FSC).
- 2008: Acquired the development rights of projects at “Jiao 11” of Neihu and “Zhe 6” of Sanchong.
Acquired 10 lots of land at Subsection 5, Nanhai Section, Zhongzheng District, Taipei City.
Launched projects including: Wan Happiness, Ruentex Nanjing Royal Palace, and Ruentex Oriental Ritz.
- 2010: Resolved by the Board of Directors for participation in Ruen Chen Investment Holdings in response to the group’s re-investment planning and operations diversification and for re-investment in Nan Shan Life Insurance through Ruen Chen Investment Holdings, as approved by the FSC, Executive Yuan on June 13, 2011 and July 22, 2011 respectively.
Approved for issuance of five-year-term unsecured corporate bonds amounting to NT\$3,000,000,000 to repay short-term loans.
Launched the project: Ruentex Mountain Dawn.
- 2011: Approved for issuance of 220,000,000 shares of common stock for capital increase, raising the paid-in capital to NT\$9,793,184,880.
Launched the project: Wan Garden.
- 2012: Acquired the execution contract for the urban regeneration project let by the Taipei City Government covering 17 lots of land at Lot 72 and others, Subsection 5, Nanhan Section, Zhongzheng District, Taipei City.
Acquired the execution contract for the urban regeneration project let by the Taipei City Government covering government land at Lot 302 and 303, Subsection 3, LiHo Section, Xinyi District, Taipei City.
Acquired the contract for the “Beitou Qiyang Joint Construction Project” and the

- “Xizhi Ming Feng Street Joint Construction Project”, and 10 lots of land at Lot 585 and others, Subsection 3, Dunhua Section, Songshan District, Taipei City.
Launched the project: Botanic Garden Villa
- 2013: Li Sheng Development Co., Ltd. acquired two lots of land at 265 and others, Subsection 6, Baoqing Section, Songshan District, Taipei City and sold 10% of the stake of subsidiary Ruentex Xuzhan Co. Ltd. to subsidiary MEC Global Investment Limited of Mitsubishi Estate Company Limited for cooperation in the Nangang Railway Station BOT Project.
Launched the project: Ming Feng
- 2014: Awarded the “Most Admired Company” (MOC) by CommonWealth magazine 11 times consecutively between 2002 and 2012.” 2014 Rated the “Most Admired Company” again and became an evergreen constructor winning the most MOCs.
The Botanic Garden Villa was rated one of the world’s top five dream housing units among worldwide deluxe dwellings by Sotheby’s.
Acquired the “Sanchong District Wuguwang Section Joint Construction Contract” in New Taipei City.
Again sold 10% of the stock of subsidiary Ruentex Xuzhan Co. Ltd. to subsidiary MEC Global Investment Limited of Mitsubishi Estate Company Limited.
Acquired the “Zhongzheng District Fuhe Section Joint Construction Contract” in Taipei City. Accidentally found the 25-year-old “Ruentex Twin Stars” were chlorine-ionic structures in the 2012 routine community check. Proactively discussed a re-construction project with residents to demonstrate our corporate social responsibility and sustainable after-sales service, setting the first example in Taiwan for voluntary re-construction of chlorine-ionic buildings by the original constructor.
- 2015: Acquired an expanded site area of about 2525m² (764 ping) for the “Sanzhong District Wuguwang Section Joint Construction Contract” in New Taipei City, increasing the total site area to about 9,350m² (2,829 ping) by adding up 15 lots of land covering 143 and others, Wuguwang Section, Sanzhong District, New Taipei City.
Acquired three contracts in New Taipei City: The joint construction project covering four lots of land sitting at 80 and others, Jiangzicui Section, Banqiao District; the joint construction Project B in Wuguwang Section in Sanzhong; and the urban regeneration project on Baozhong Road in Xindian District.
Established subsidiary Ruentex Innovative Development Co., Ltd.
Subsidiary Ruentex Innovative Development Co., Ltd. acquired the contract of a joint construction project at Lot 147, Jiangzicui Section, Banqiao, New Taipei City, occupying an area of 5,352m² (1,619 ping).
Approved for issuance of 200,000,000 shares of common stock for capital increase, raising the paid-in capital to NT\$13,928,486,530.

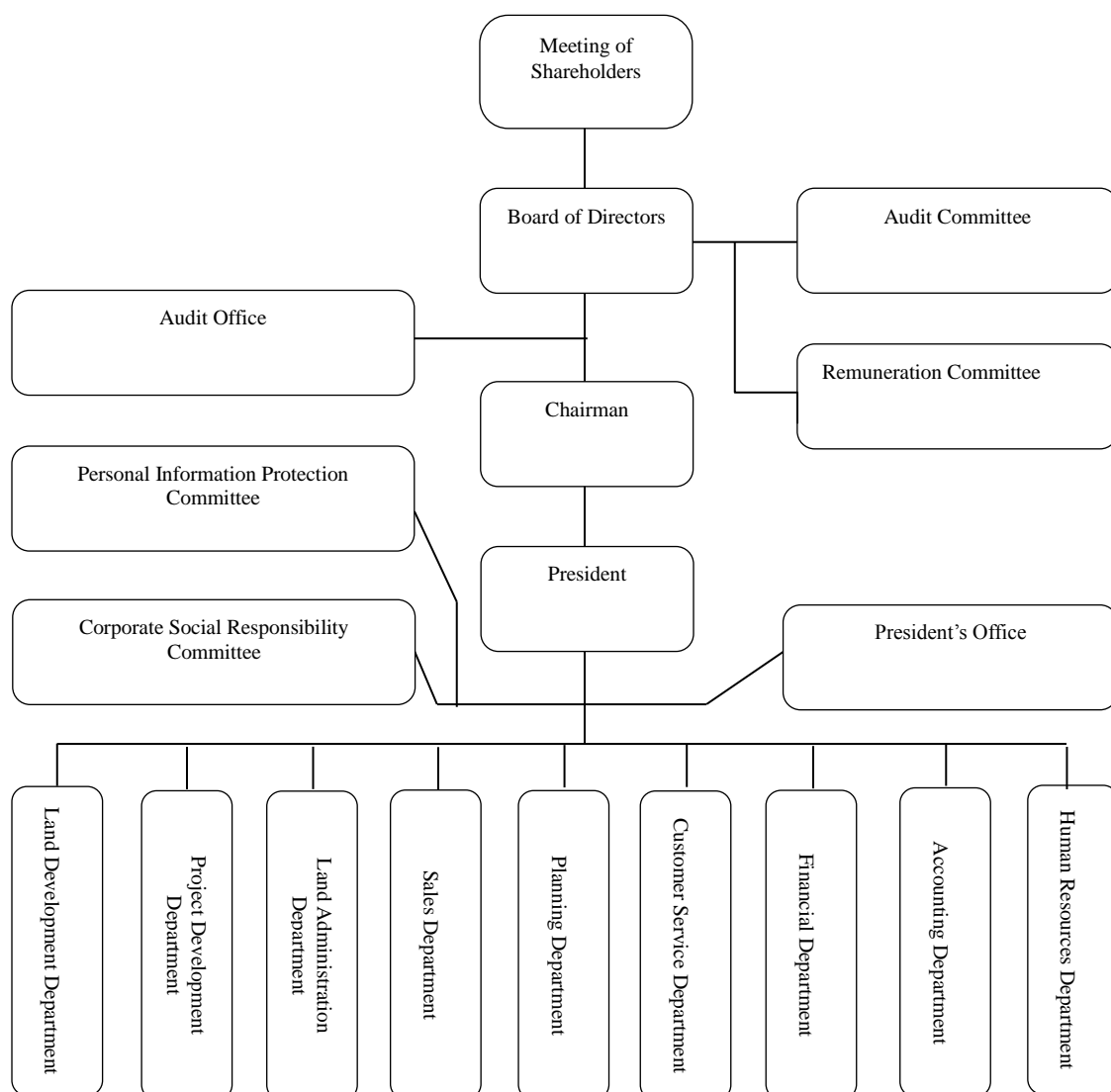
- 2016: Mitsubishi Estate Company Limited participated in the cash capital increase of subsidiary Ruentex Innovative Development Co., Ltd. to acquire 30% of the Company's stock for the collaborative development of the joint construction project at Lot 147, Jiangzicui Section, Banqiao, New Taipei City.
- Established an Audit Committee with all independent directors of the Company. The regulations governing supervisors in the Company Act, Securities and Exchange Act, and other laws shall apply mutatis mutandis to the Committee members.
- The Botanic Garden Villa won the Award of Merit at the International Association of Lighting Designers (IALD) Awards.
- Launched the project Ruentex Liren
- 2017: Sold affiliate China Cannes for re-investment in Sun Art Retail Group.
- Approved for capitalization of retained earnings to issue 278,681,667 shares of common stock, raising the paid-in capital to NT\$16,720,899,980.
- Acquired two contracts: A joint construction project on one lot of land at Lot 32, Ruanquao Section, Beitou District, Taipei City; and a joint construction project on 11 lots of land at 1906 and others, Wenhua Section, Banqiao District, New Taipei City.
- Launched projects: The Silk Court, Ruentex Spectacular Life, and RT-Fuduxin
- 2018: Acquired contracts: A construction project on three lots of land at Lot 108 and others and 111, Xixiang Section, Xidian City, New Taipei City; and the "Taipei City Nangang Section Government-Led Urban Regeneration Investment Contract" signed with the Taipei Urban Regeneration Center.
- Resolved a cash capital reduction of 668,835,999 shares by the 2018 Annual General Meeting of Shareholders to capital structure re-adjustment and raise the return on equity (ROE) of shareholders, reducing the paid-in capital to NT\$10,032,539,990.
- Launched projects: Ruentex Qiyang, RT-New Twin Stars, and Ruentex Daiguanshan.
- 2019: Established the chief governance officer by law.
- Dissolved subsidiary "Ruentex Resources Integration Co., Ltd." by resolution of the board for group structure simplification; and disposed the stock of Ruentex Engineering & Construction Co., Ltd. by resolution of the 2019 extraordinary meeting of shareholders.
- Acquired 51,832,359 shares of Ruentex Engineering & Construction Co., Ltd. from the stock market through block continuous trading.
- Changed the name of subsidiary "City-Link Development Co., Ltd." into "Ruentex Construction & Development Co., Ltd."
- Launched projects "Ruentex Awesome" and "Ruentex Submit"

- 2020: Approved for capitalization of retained earnings to issue 501,626,999 shares of common stock, raising the paid-in capital to NT\$15,048,809,980.
 Subsidiary Ruentex Construction International Co., Ltd. acquired the “Taipei City Qingtian Street Co-construction Project.”
 Acquired “10 lots of land including Lot 239, Jianguo Section, Xinzhuang District, New Taipei City.”
 Acquired “Chlorine-ionic building urban regeneration project on Wolong Street, Daan District, Taipei City,” and “Co-construction project at Lots 104 and 109, Xinzhoumei Section, Beitou District, Taipei City.”
 Launched projects: Ruentex Yangbei and Ruentex Wenhua.
- 2021: The Company was approved by the authority to convert the earnings into capital increase to issue up to 601,952,399 common shares. After the capital increase process, the Company's paid-in capital amounts to NT\$21,068,333,970.
 The Company was officially approved to acquire the Urban Renewal Project with 22 plots of land in Lot Nos. 140 and the like, Subsection 4, Changan Section, Zhongzheng District, Taipei City” and “Joint Development Project in Huantsui Section, Banqiao City, New Taipei City”.
 The Company acquired 362,142,857 common shares of Subsidiary Ruentex Construction International Co., Ltd. by means of capital increase through cash injection.
 The Company disposed of 4,085,139 common shares of RT-Mart International Logistics Co., Ltd. (after capital reduction).
 The Company successfully acquired “Joint Development Project in Huantsui Section, Banqiao City, New Taipei City”.
 The Company's Subsidiary Ruentex Construction International Co., Ltd. acquired 130,000,000 common shares of Ruentex Bai Yi Co., Ltd. by means of capital increase through cash injection.
 The Company launched “Ruentex Daan Fuyang” and “Qing Tian 618” projects.

Three. Governance

I. Organization Structure

(I) Organization Framework



(II) Department Functions and Duties

1. Audit Office

Establishment of the audit system and implementation of audits within the Company.

2. President' Office

Integration of strategies and directions for short-, medium-, and long-term development.

Analysis of macroeconomic trends and the trends of the construction industry.

Analysis of the movements and influences of development of individual policies.

Analysis of internal and external competitiveness.

Collection and organization of important financial and industrial information at home and abroad.

3. Land Development Department

Collection, analysis, and onsite inspection of land data (land administration, urban regeneration, and construction control).

Procurement and handling of government land, irrigation land consolidation, leftover land, and specific roadside land.

Land trading, consultation of joint construction of landowners, and consultation and signing contracts the clearance and disposal of real property.

Removal and handling of buildings. Onsite inspection and management of undeveloped land owned by the Company.

4. Project Development Department

A department parallel with the Land Development Department responsible for land development, and searching for land with high profit potential according to the Company's business policies and product directions, and raising land value for construction and sales through urban planning, zoning change, and application for miscellaneous permits.

5. Land Administration Department

Transfer of sold estate and application for mortgage registration.

Re-measurement and initial registration of ownership of all buildings built and owned by the Company.

6. Sales Department

Assistance in investigation and data collection of factors and strategies affecting real estate sales. Sales and management of unsold property and assessment and analysis of sales projects after closure.

Collection of information of the real estate market.

7. Planning Department

Project management after contract execution; application, change, or use of development permits, building permits, miscellaneous permits, and demolition permits with respect to the construction management process, and progress control.

8. Customer Service Department

Addressing of customer enquiries and processing customer opinions.

Acceptance, transfer, and follow-up of after-sale services.

Other customer-related services.

9. Financial Department

Financial management, and application for, appropriation of, and repayment of bank loans.

Cashier matters and investments in the capital market. Matters in relation to long- and short-term investments.

10. Accounting Department

Production, registration, and custody of bookkeeping vouchers and account books.

Production of the financial statement, tax statement, and various types of accounting reports.

Planning annual budgets.

Production of the Company's financial plans and reports.

Matters in relation to the Board of Directors, Remuneration Committee, stock affairs, and corporate governance.

11. Human Resources Department

Responsible for the planning and implementation of personnel affairs covering selection, employment, education, and retention of talents.

Matters in relation to the Remuneration Committee.

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

1. Information and data of directors (I) April 17, 2022

Title (Note 1)	Nationality or Registration Place	Name	Gender Age (Note 2)	Elected (Inaugurated) Date	Tenure of office	Date of Initial Election to Office (Note 3)	Shareholdings at the Time of Election to Office		Current Shareholdings		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 4)	Concurrent Positions in The Company and Other Companies	Other Officers, Directors, or Supervisors of the Company Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 5)
							Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Chairman	ROC	Yingjia Investment Co., Ltd.	~	2020/6/9	3	2017/6/15	12,270,528	1.22	25,768,108	1.22	—	—	—	—	-	-	Nil	Nil	Nil	Nil
	ROC	Jean, Tsang-Jiunn	Male Age 51~60	2020/6/9	3	2012/9/3	193,539	0.02	406,431	0.02	—	—	—	—	Osaka College of Design, Japan	The Chairman of the Board of the Company, Runde Interior Decoration Design Company, Ruentex Construction International Co., Ltd., Ruentex Xuzhan Company, Ruentex Bai Yi Company, Ruentex Innovation and Development Company, Xin Yeh Construction Company Director, Ruentex Construction International BVI, Ruentex Construction, Ruen Fu, and Ruentex Security Co., Ltd.	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality or Registration Place	Name	Gender Age (Note 2)	Elected (Inaugurated) Date	Tenure of office	Date of Initial Election to Office (Note 3)	Shareholdings at the Time of Election to Office		Current Shareholdings		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 4)	Concurrent Positions in The Company and Other Companies	Other Officers, Directors, or Supervisors of the Company Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 5)
							Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Director	ROC	Ruentex Industries Ltd.	~	2020/6/9	3	1993/4/27	257,843,424	25.70	541,471,850	25.70	—	—	—	—	-	-	Nil	Nil	Nil	Nil
	ROC	Representative: Sheng-yu Hsu	Male Age 61~70	2022/1/26	1	2022/1/26	226,800	0.01	226,800	0.01	—	—	—	—	Business Administration, National Taiwan University	Chairman, Ruentex Industries Ltd. Director of Ruentex Materials Co., Ltd.; Ruentex Hsu Occupational safety & health, Rue Cheng Investment Co., Ltd.	Nil	Nil	Nil	Nil
Director	ROC	Ruentex Industries Ltd.	~	2020/6/9	3	1993/4/27	257,843,424	25.70	541,471,850	25.70	—	—	—	—	-	-	Nil	Nil	Nil	Nil
	ROC	Representative: Yin, Chung-Yao	Male Age 31~40	2020/6/9	3	2016/2/19	—	—	—	—	—	—	—	—	PhD, University of Oxford, UK	Director, Ruentex Industries Ltd.; Ruen Hung Precision, Ruentex Materials Co., Ltd.; Ruentex Hsu Chan, Ruen Cheng Investment Holdings Co., Ltd.; Ruentex Interior Design Inc., The Tang Prize Foundation Vice Chairman of Nan Shan Life Insurance	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality or Registration Place	Name	Gender Age (Note 2)	Elected (Inaugurated) Date	Tenure of office	Date of Initial Election to Office (Note 3)	Shareholdings at the Time of Election to Office		Current Shareholdings		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 4)	Concurrent Positions in The Company and Other Companies	Other Officers, Directors, or Supervisors of the Company Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 5)
							Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Director	ROC	Ruentex Xing Co., Ltd.	~	2020/6/9	3	2011/6/9	8,861,463	0.88	18,609,071	0.88	—	—	—	—	-	-	Nil	Nil	Nil	Nil
	ROC	Representative: Lee, Chih-Hung	Male Age 61~70	2017/6/9	3	2012/9/3	625,131	0.06	1,312,774	0.06	112,295	0.01	—	—	MBA, Institute of Business Administration, National Taiwan University	President of the Company Chairman of Ruentex Materials Co., Ltd. Director of Ruentex Industries Ltd.; Ruentex Materials Co., Ltd.; Ruentex Construction International Co., Ltd.; Ruentex Hsu Chang Company; Ruentex Bai Yi Company, Ruentex Interior Design Inc.; Ruentex Innovation Development Co., Ltd.	Nil	Nil	Nil	Nil
Director	ROC	Ruentex Xing Co., Ltd.	~	2020/6/9	3	2011/6/9	8,861,463	0.88	18,609,071	0.88	—	—	—	—	-	-	Nil	Nil	Nil	Nil
	ROC	Representative: Chen, Li-Yu	Female Age 61~70	2020/6/9	3	2016/6/14	144,488	0.01	152,224	0.01	915	—	—	—	Taipei Municipal Songshan High School of Agriculture and Industry	Vice President of the Company Director of Ruentex Construction International Co., Ltd.	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality or Registration Place	Name	Gender Age (Note 2)	Elected (Inaugurated) Date	Tenure of office	Date of Initial Election to Office (Note 3)	Shareholdings at the Time of Election to Office		Current Shareholdings		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 4)	Concurrent Positions in The Company and Other Companies	Other Officers, Directors, or Supervisors of the Company Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note 5)
							Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Director	ROC	Yingjia Investment Co., Ltd.	~	2020/6/9	3	2017/6/15	12,270,528	1.22	25,768,108	1.22	—	—	—	—	-	-	Nil	Nil	Nil	Nil
	ROC	Ho, Kai-Lin	Female Age 41~50	2020/7/3	3	2020/7/3	228	—	—	—	—	—	—	—	Department of Mechanical Engineering, Lee-Ming Institute of Technology	Ruen Fu Newlife Corp. Director of Ruentex Interior Design Inc.	Nil	Nil	Nil	Nil
Independent Director	ROC	Ko, Shun-Hsiung	Male Age 51~60	2020/6/9	3	2014/6/9	—	—	—	—	—	—	—	—	MA, Department of Finance, National Taiwan University	Independent Director, Nishoku Technology Inc. Independent Director, Silergy Corporation	Nil	Nil	Nil	Nil
Independent Director	ROC	Chang, Guo-Zhen	Male Age 61~70	2020/6/9	3	2016/6/14	—	—	—	—	—	—	—	—	PhD, Department of Civil Engineering, University at Buffalo, the State University of New York	Independent Director, Ruentex Material	Nil	Nil	Nil	Nil
Independent Director	ROC	Zhao, Yi-Long	Male Age 61~70	2020/6/9	3	2014/6/6	—	—	—	—	—	—	—	—	PhD, Business Administration, Ohio State University, USA	Independent Director, Taiwan Tobacco & Liquor Corporation	Nil	Nil	Nil	Nil

Note 1: A corporate shareholder shall provide the name of the corporate shareholder and its statutory agent respective. (In case of a corporate shareholder, please provide the title of the corporate shareholder) and, meanwhile, fill up Table 1 hereunder.

Note 2: Please prove the substantial age by means of age range, e.g., 41~50 years old or 51~60 years old.

Note 3: Please provide the timepoint while serving as the Company's director in the Handbook. In case of an interruption, please expressly indicate so.

(1) Representative pf the Company's corporate director Ruentex Industries Ltd.; Director Yin Wong, Yee-Fan quit on January 26, 2022 while the replacement representative Hsu,Sheng-Yu was reassigned to take office on January 26, 2022.

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

Note 5: Where the Chairman and the President or one in the equivalent position (the highest managerial officer) are a same person, as spouse to each other or blood relatives within the first degree of kinship, please expressly indicate the reasons behind, rationality, indispensability and countermeasures (e.g., an effort to increase the independent director seat(s) and there must be one half majority directors having not concurrently served as an employee or a managerial officer and such means) and such information concerned.

Table I: Major shareholder (s) of the corporate shareholder

April 17, 2022

Title of the Corporate Shareholder	Major Shareholders of the Corporate Shareholder	Shareholding percentage
Yingjia Investment Co., Ltd.	Chang Quan Investment Co., Ltd.	75.86%
	Ruen Hua Dyeing & Weaving Co., Ltd.	24.14%
Ruentex Industries Ltd.	Ruentex Development Co., Ltd.	11.63%
	Chang Quan Investment Co., Ltd.	6.21%
	Huei Hong Investment Co., Ltd.	6.05%
	Gin-Hong Investment Co., Ltd.	4.98%
	Ruentex Precision Engineering Co., Ltd.	3.57%
	Ruen Hua Dyeing & Weaving Co., Ltd.	2.83%
	The Tang Prize Foundation	2.66%
	Shu-Tien Urology and Ophthalmology Clinic	2.32%
	Ruentex Xing Co. Ltd.	1.80%
Ruentex Xing Co. Ltd.	Sheng Cheng Investment Co., Ltd.	1.57%
	Samuel Yen-Liang Yin	99.997%
	Yin Wong, Yee-Fan	0.003%

Table 2: Table 1 enumerates the key shareholders of key shareholders as corporate shareholders

Data deadline: April 17, 2022

Title of Corporate Shareholder	Major Shareholders of the Corporate Shareholder	Shareholding percentage
Chang Quan Investment Co., Ltd.	Huei Hong Investment Co., Ltd.	48.00%
	Ruen Hua Dyeing & Weaving Co., Ltd.	33.00%
	Ruentex Xing Co. Ltd.	19.00%
Ruen Hua Dyeing & Weaving Co., Ltd.	Ruentex Xing Co. Ltd.	19.55%
	Ren Ying Industrial Co., Ltd.	19.14%
	Chang Quan Investment Co., Ltd.	18.44%
	Huei Hong Investment Co., Ltd.	17.96%
	Samuel Yen-Liang Yin	13.70%
	Yin Wong, Yee-Fan	6.55%
	Yin Shun Yao Education Foundation	4.40%
	Lena Yin	0.26%

Title of Corporate Shareholder	Major Shareholders of the Corporate Shareholder	Shareholding percentage
Ruentex Development Co., Ltd.	Ruentex Industries Ltd. 25.70% Huei Hong Investment Co., Ltd. 7.40% Yi Tai Investment Co., Ltd. 4.38% Chang Quan Investment Co., Ltd. 3.94% Ruen Hua Dyeing & Weaving Co., Ltd. 1.51% Yingjia Investment Co., Ltd. 1.22% Norges Bank Investment Special Account, CITI Bank (Taiwan) 1.05% Vanguard FTSE Emerging Markets ETF Special Account, JPMorgan Chase 1.05% PGIA Integrated International ETF in Custody of JPMorgan Chase 0.96% The Tang Prize Foundation 0.93%	
Huei Hong Investment Co., Ltd.	Ruen Hua Dyeing & Weaving Co., Ltd. 63.53% Ruentex Xing Co. Ltd. 19.93% Yi Tai Investment Co., Ltd. 16.54%	
Gin-Hong Investment Co., Ltd.	Ruentex Industries Ltd. 55.00% Ruentex Development Co., Ltd. 30.00% Yingjia Investment Co., Ltd. 13.95% Ruentex Xing Co. Ltd. 1.05%	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd. 39.14% Ruentex Industries Ltd. 9.10% Yi Tai Investment Co., Ltd. 7.48% Yingjia Investment Co., Ltd. 6.25% Ruentex Xing Co. Ltd. 3.10% Qi, Wei-Gong 2.20% Ruen Hua Dyeing & Weaving Co., Ltd. 1.91% Sheng Cheng Investment Co., Ltd. 1.80% Sheng Cheng Investment Co., Ltd. 1.49% Chang Quan Investment Co., Ltd. 1.04%	
The Tang Prize Foundation	Huei Hong Investment Co., Ltd. 39.73% Chang Quan Investment Co., Ltd. 18.69%	
Shu-Tien Urology and Ophthalmology Clinic	Samuel Yen-Liang Yin 50.00%	
Ruentex Xing Co. Ltd.	Samuel Yen-Liang Yin 99.997% Yin Wong, Yee-Fan 0.003%	
Sheng Cheng Investment Co., Ltd.	Ruen Hua Dyeing & Weaving Co., Ltd. 48.98% Ren Ying Industrial Co., Ltd. 23.81% Yingjia Investment Co., Ltd. 17.31% Huei Hong Investment Co., Ltd. 9.90%	

Profiles of Directors (II)

2. Disclosure of the professional qualifications and independence of independent directors

(1) The professional qualifications of directors

Name	The professional qualifications and hands-on experiences
Chairman Jean, Tsang-Jiunn	Osaka Design Institute Japan Current positions: Chairman of the Company, Ruentex Interior Design Inc.; Ruentex Construction International Co., Ltd.; Ruentex Hsu Chang Company; Ruentex Tai Yi Company, Ruentex Innovative Development, Xing Yeh Construction Co., Ltd., Director of Ruentex Construction International (BVI), Ruentex Construction, Ruentex Fu Company, Ruentex Bao Company. with abundant hands-on experiences accumulated on practical services, strategic management, leadership as well as the hands-on experiences accumulated the duties required by the Company.
Director Hsu, Sheng-Yu	Master, Graduate School of Commerce, National Taiwan University Having served as the Assistant Manager of the Department of Finance and Production Department of Ruentex Industrial Co., Ltd.; Vice President of Xingyeh Construction Co., Ltd.; President of Ruentex Construction International Co., Ltd.; Chairman of Ruenhong Engineering Co., Ltd.; having, as well, served Deputy Treasurer, Financial President, Director, Deputy Chairman of RT-Mart Group of China, with more than 20 years of hands-on experiences accumulated in the aforementioned fields. with abundant hands-on experiences accumulated on practical services, strategic management, leadership as well as the hands-on experiences accumulated the duties required by the Company.
Director Yin, Chung-Yao	Ph.D, Oxford University, UK Currently as the Deputy Chairman of Nan Shan Life Insurance Company, Ltd.; Director of Ruentex Innovation International Co., Ltd.; Ruentex Engineering & Construction Co., Ltd.; Ruentex Materials Co., Ltd.; Runcheng Investment Holding Co., Ltd. with abundant knowledge with ample hands-on experiences accumulated in extensive fields of the aforementioned companies for more than five (5) years.
Director Lee, Chih-Hung	Master of Business Administration (MBA), Graduate School of Commerce, National Taiwan University Currently serving as the Director & President of Ruentex Innovative Development Co. Ltd. and Chairman of Ruentex Engineering & Construction Co., Ltd.; Director of Ruentex Materials Co., Ltd.; Ruentex Hsu Chan Company, Ruentex Bai Yi Company. with hands-on experiences accumulated in extensive fields of finance, accounting or businesses required by the Company for more than five (5) years.
Director Chen, Li-Yu	Taipei Municipal Songshan High School of Agriculture and Industry Incumbent President of the Company and director Ruentex Construction International Co., Ltd.; Having served with the Company in the position of Deputy President for more than five (5) years, with abundant hands-on practical experiences and the hands-on experiences required for the Company.

Name	The professional qualifications and hands-on experiences
Director Ho, Kai-Lin	<p>Department of Mechanical Engineering, Lee-Ming Institute of Technology</p> <p>The incumbent President of Ruen Fu Newlife Corp., Director of Ruentex Interior Design Inc.;</p> <p>Having served with Ruen Fu Newlife Corp. as its President for more than five (5) years, with abundant hands-on experiences accumulated in practical business as well as the hands-on experiences required for the Company.</p>
Independent Director Ko, Shun-Hsiung	<p>Master, Graduate School of Finance, National Taiwan University</p> <p>Convener of the Audit Committee</p> <p>Hands-on experiences: Independent director of Nishoku Technology Inc.; Silergy Corporation; Certified Public Accountant of Koam Da Associated Certified Public Accountant Office.</p> <p>Having served as the professional certified public accountant for more than twenty (20) years with abundant expertise in Accounting and Finance.</p>
Independent Director Chang, Guo-Zhen	<p>PhD of Civil Engineering, State Univ. of NY at Buffalo</p> <p>Hands-on experiences: The Director of the Earthquake Research Center of the Graduate School of Engineering, National Taiwan University; Convener, Deputy Director and Director of Bridge Research of the Earthquake Engineering Research Center of the National Academy of Experiments; Chairman of the Earthquake Engineering Society of the Republic of China; Chairman of the Structural Engineering Society of the Republic of China; Chairman of the Taiwan Branch of the Russian International Academy of Engineering; and Fellow of the Civil and Hydraulic Engineering Society of China.</p> <p>Currently serving as a professor in the Department of Civil Engineering at National Taiwan University, with more than 25 years in the teaching career and Independent Director of Ruentex Materials Co., Ltd..</p> <p>As a Committee member of the Audit Committee, with ample hands-on experiences and expertise in industry and businesses as well as risk management, with more than five (5) hands-on experiences accumulated in the Company's business operation.</p>
Independent Director Zhao, Yi-Long	<p>Ph.D. in Business Administration, Ohio State University, USA.</p> <p>Hands-on experiences in career: Director of Da Neng Technology Co., Ltd.; a full-time professor at the Department and Research Institute of International Entrepreneurship, National Taiwan University</p> <p>Currently as a full-time professor at the Department and Research Institute of International Entrepreneurship, National Taiwan University dedicated in the teaching career for more than twenty-five (25) years and Independent Director of Taiwan Tobacco & Liquor Corporation.</p> <p>As a Committee member in the Audit Committee, known for abundant hands-on experiences in business management, industry expertise and marketing management.</p>

(2) Facts about independence attribute of directors and independent directors

Name	Facts about independence attribute	Concurrently an Independent Director for Other Public Companies
Chairman Jean, Tsang-Jiunn	Not under any of the categories stated in Article 30 of the Company Act	0
Director: Hsu, Sheng-Yu	Not under any of the categories stated in Article 30 of the Company Act	0
Director: Yin, Chung-Yao	Not under any of the categories stated in Article 30 of the Company Act	0
Director: Lee, Chih-Hung	Not under any of the categories stated in Article 30 of the Company Act	0
Director: Chen, Li-Yu	Not under any of the categories stated in Article 30 of the Company Act	0
Director: Ho, Kai-Lin	Not under any of the categories stated in Article 30 of the Company Act	0
Independent Director Ko, Shun-Hsiung	<ol style="list-style-type: none"> 1. Including but not limited to the principal, his or her spouse, blood relatives within the second degree of kinship who has (have) not served with the Company or its affiliated enterprise as a director and supervisor or employee. 2. The number and percentage of shares held by the principal, his or her spouse, blood relatives within the second degree of kinship (or with the name of another): 0 3. Having not served as a director and supervisor or employee of a company in specific relationship with the Company. 4. The remuneration paid for service in commerce, law, finance, accounting and such services to the Company or its affiliated enterprise(s) within the past two (2) years: 0 	2
Independent Director Chang, Guo-Zhen	<ol style="list-style-type: none"> 1. Including but not limited to the principal, his or her spouse, blood relatives within the second degree of kinship who has (have) not served with the Company or its affiliated enterprise as a director and supervisor or employee. 2. The number and percentage of shares held by the principal, his or her spouse, blood relatives within the second degree of kinship (or with the name of another): 0 3. Having not served as a director and supervisor or employee of a company in specific relationship with the Company. 4. The remuneration paid for service in commerce, law, finance, accounting and such services to the Company or its affiliated enterprise(s) within the past two (2) years: 0 	1
Independent Director Zhao, Yi-Long	<ol style="list-style-type: none"> 1. Including but not limited to the principal, his or her spouse, blood relatives within the second degree of kinship who has (have) not served with the Company or its affiliated enterprise as a director and supervisor or employee. 2. The number and percentage of shares held by the principal, his or her spouse, blood relatives within the second degree of kinship (or with the name of another): 0 3. Having not served as a director and supervisor or employee of a company in specific relationship with the Company. 4. The remuneration paid for service in commerce, law, finance, accounting and such services to the Company or its affiliated enterprise(s) within the past two (2) years: 0 	1

3. Characteristics in diversification and independence of the Board of Directors

(1) Policy of diversification of the Board of Directors

Here at the Company, the Board of Directors plays the role to offer guidelines about the Company's strategies, monitor the management and assume responsibility to the entire Company and shareholders, take charge of all operation and arrangement about corporate governance. The Board of Directors exercises responsibilities and powers exactly in accordance with the Articles of Incorporation and the decisions resolved in the shareholders' meeting.

In terms of the structure of the Board of Directors, the Company takes into account the scale of the Company's business development, shareholding status of key shareholders as well as the hands-on need for practical operations to resolve the total number of nine directorship seats for the Board.

In terms of composition of the Board of Directors, the Company takes diversification into serious account. The directors concurrently serving as the managerial officers shall not exceed one-third of the total number of directorship seats, Toward the hands-on operation, operating styles and demand for business development, the Company has set up policies toward diversification, including but not limited to the standards/criteria toward the two major aspects below:

I. Fundamental conditions and values: Gender, age, nationality and culture. Among the total number of directorship seats, female directors shall be up to one-third.

II. Professional expertise and skills: Professional backgrounds (e.g., laws, accounting, industries, finance, marketing or technologies), professional expertise and industries related hands-on experiences.

The Board members shall, in general, possess the know-how, skills and qualities as essential to perform the respective duties. To accomplish the ideal goal toward corporate governance, the Board of Directors shall, overall, possess the capabilities as enumerated below: 1. Business judgment capability; 2. Accounting and financial analysis capabilities; 3. Business management capabilities; 4. Risk management capabilities; 5. Industrial technology & know-how; 6. international market view; 7. Leadership capabilities and 8. Policymaking process capabilities.

The Company's directors have expertise, skills, and experience in the financial, business, accounting, and other professional fields, and have adequate competence and skills to perform the duties as directors.

Item Name	Gender	Age	Nationality	Professional backgrounds, skills and knowledge							
				Operational Management	Leadership and Decision-making	Industry-specific Knowledge	Finance and Accounting	Law	Marketing management	Risk management	Information technology
Jean, Tsang-Jiunn	M	51-60	Republic of China	V	V	V			V	V	
Hsu, Sheng-Yu	M	61-70		V	V	V			V		
Yin, Chung-Yao	M	31-40		V	V			V			
Lee, Chih-Hung	M	61-70		V	V	V	V		V	V	
Chen, Li-Yu	F	61-70		V	V	V					
Ho, Kai-Lin	F	41-50		V	V						
Ko, Shun-Hsiung	M	51-60		V			V			V	
Chang, Guo-Zhen	M	61-70		V	V	V				V	V
Zhao, Yi-Long	M	61-70		V		V			V		

(2) Independence of the Board of Directors:

Here at the Company, a total of nine directors were elected in the Board of Directors of Term 16 on June 9, 2020. Including 6 general directors, 3 independent directors(33%) with two female independent directors (22%). The directors include 3 independent directors, with 2 directors less than 50 years old (22%) and 7 directors more than 50 years old (78%). In the future, the Company will, step-by-step, improve the composition of the Board toward the policies and diversification and gender equality. At the moment, the present composition roughly lives up to the gender equality target. The Company is scheduled to re-elect directors for Term 17 in 2023. By then, we hope to increase one more female director to have female directors up to the target by accounting for one-third.

The Company's corporate director Ruentex Industries Ltd. reassigned its representative on January 26, 2022. The former representative Yin Wong, Yee-Fan was discharged and replaced by Mr. Hsu Sheng-Yu.

Among the Company's Board members, there are a total of two directors serving as the managerial officers concurrently (22.22%), not up to one-third of total number of directorship seats. Among directors (including both directors and independent directors), the relationship as a spouse or blood relatives within the second degree of kinship is nonexistent.

2. Information of President, Vice Presidents, Assistant Managers and heads of respective departments and branches:

April 17, 2022

Title	Nationality	Name	Gender	Elected (Inaugurated) Date	Shareholdings		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Education and Experience	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
President	ROC	Lee, Chih-Hung	Male	2012/9/3	1,312,774	0.06	112,295	0.01	—	—	MBA, Institute of Business Administration, National Taiwan University	Chairman of Ruentex Engineering & Construction Co., Ltd. Director of Ruentex Industries Ltd.; Ruentex Materials Co., Ltd.; Ruentex Construction & Development Co., Ltd. Ruentex Xu-Zhan; Ruentex Bai-Yi, Ruentex Interior Design Inc.; Ruentex Innovative Development Co., Ltd.	Nil	Nil	Nil	Nil
Vice President	ROC	Zhou, Pei-Ling	Female	2007/4/1	236,269	0.01	1,041	—	—	—	Department of Economics, Tamkang University	Nil	Nil	Nil	Nil	Nil
Vice President	ROC	Chen, Li-Yu	Female	2002/4/1	152,224	0.01	915	—	—	—	Taipei Municipal Songshan High School of Agriculture and Industry	Director of Ruentex Construction & Development Co., Ltd.	Nil	Nil	Nil	Nil
Vice President	ROC	Yen, Tien-Cheng	Male	1999/7/1	—	—	—	—	—	—	Department of Management Science, NCTU	Director of Ruentex Industries Ltd. ; Ruentex Bai-Yi ; Sunny Friend Environmental Technology Co., Ltd.	Nil	Nil	Nil	Nil
Vice President	ROC	Lin, Chin-Szu	Male	2011/7/1	136,080	0.01	—	—	—	—	MA, Department of Finance, National Taiwan University.	Supervisor of Ruentex Property Management & Maintenance Co., Ltd. and Ruentex Interior Design Inc.	Nil	Nil	Nil	Nil
Vice President	ROC	Cheng, Wen-Ching	Male	2006/4/1	111,888	0.01	—	—	—	—	Department of Land Administration, National Chung Hsing University	Director, Ruentex Property Management & Maintenance Co., Ltd.	Nil	Nil	Nil	Nil
Vice President	ROC	Wang, Guo-Rong	Male	2019/7/1	80,640	0.00	—	—	—	—	MA, National Central University	Nil	Nil	Nil	Nil	Nil
Vice President	ROC	Wang, Pei-Shou	Male	2019/9/12	1,142	0.00	1,512	0.00	—	—	Department of Industrial	Nil	Nil	Nil	Nil	Nil

Title	Nationality	Name	Gender	Elected (Inaugurated) Date	Shareholdings		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Education and Experience	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
											Management, National Taiwan University of Science and Technology					
Vice President	ROC	Liu, Wen-Tan	Male	2021/4/1	155,258	0.01	1,650	0.00	—	—	Department of Business Administration, Chung Yuan Christian University	Nil	Nil	Nil	Nil	Nil
Vice President	ROC	Chang Wen-Jen	Male	2021/5/1	28,729	0.00	1,491	0.00	—	—	Department of Business Administration, Tatung University	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Tsai, Pei-Jin	Female	2004/3/1	—	—	—	—	—	—	Department of International Trade, Chinese Culture University	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Chang, Wei-Cheng	Male	2011/3/1	—	—	—	—	—	—	Shih Hsin School of Journalism	Nil	Assistant Vice President	Gong, Hui-Zi	Spouse	Nil
Assistant Vice President	ROC	Wen-chuen Yang	Female	2011/11/1	117,025	0.01	3,024	0.00	—	—	National Guan-Shan Vocational Senior High School	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Gong, Hui-Zi	Female	2014/3/1	—	—	—	—	—	—	Section of Civil Engineering, Sze Hai College of Technology	Nil	Assistant Vice President	Chang, Wei-Cheng	Spouse	Nil
Assistant Vice President	ROC	Tsai, Jia-Sheng	Male	2016/4/1	—	—	—	—	—	—	Section of Chemical Engineering, Nanya Polytechnics	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Guo-zhi Zhuang	Male	2017/7/24	—	—	—	—	—	—	MS, Department of Architecture, National Taipei University of Technology	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Po-yu Chen	Male	2019/4/1	1,260	0.00	—	—	—	—	Department of Accounting, National Taiwan University	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Lin, Chun-Miao	Female	2019/4/1	—	—	—	—	—	—	National Chushan Senior High School	Nil	Nil	Nil	Nil	Nil

Title	Nationality	Name	Gender	Elected (Inaugurated) Date	Shareholdings		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Education and Experience	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 nd Degree Under the Civil Code			Remark (Note)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Assistant Vice President	ROC	Wei, Yu-Ci	Female	2021/4/1	13,672	0.00	3,332	0.00	—	—	Department of Business Administration, Chinese Culture University	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Yang, Ai-Zhen	Female	2021/4/1	—	—	—	—	—	—	Master of Urban Planning, National Chung Hsing University	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Li An-Hsien	Male	2022/4/1	—	—	—	—	—	—	Department of Architecture, Chung Yuan Christian University	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Hu Yu-Ling	Female	2022/4/1	21,883	—	—	—	—	—	Department of Accounting & Statistics, Chungyu University of Film and Arts	Nil	Nil	Nil	Nil	Nil
Manager, Zhonglun Branch	ROC	Kao, Jie-Wen	Male	2017/12/1	784	—	—	—	—	—	Section of Accounting and Statistics, Oxford College	Nil	Nil	Nil	Nil	Nil

Note 1 : Information about that the President or person of an equivalent position (the highest level Manager) and the Chairman is the same person, spouses, or relative within the first degree of kinship, shall disclose the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increase the number of Independent Directors and have a majority of directors who are not also employees or Managers concurrently, etc.)

Note 2 : As of 2021.09.23 (ex-right base day), the number of issued shares was changed into 2,106,833,397 shares.

Note 4 : Assistant President Kuo Tien-Fang resigned on 2021.05.03.

Note 6 : Assistant President Li An-Hsien and Hu Yu-Ling took office on 2022.04.01.

Note 3 : Vice Present Chang Wen-Jen took office on 2021.05.01.

Note 5 : Vice Present Lin Ting-Chieh resigned on 2022.03.31.

III. Remuneration for Directors, Supervisors, Presidents, and Vice Presidents

(I) 1. Remuneration for general and independent directors

(expressed in NT\$ thousands)

Title	Name	Remuneration for Directors								Percentage of the Sum of A to D in the Net Profit After Tax		Remuneration for Directors Who are Concurrently Employees								Percentage of the Sum of A to G in the Net Profit After Tax		Whether or not receiving remuneration from investees or the parent company other than subsidiaries
		Remuneration (A)		Severance Pay/Retirement Allowance (B)		Remuneration from Distribution of Earnings (C)		Business Execution Expenses (D)				Salaries, Bonuses, and Special Expenses (E)		Severance Pay/Retirement Allowance (F)		Remuneration to Employee (G) (Note)						
		The Company	All Firms Disclosed in the Financial Statements	The Company	All Firms Disclosed in the Financial Statements	The Company	All Firms Disclosed in the Financial Statements	The Company	All Firms Disclosed in the Financial Statements	The Company	All Firms Disclosed in the Financial Statements	The Company	All Firms Disclosed in the Financial Statements	The Company	All Firms Disclosed in the Financial Statements	The Company		All Firms Disclosed in the Financial Statements		The Company	All Firms Disclosed in the Financial Statements	
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman	Representative of Yingjia Investment Co., Ltd.: Jean,Tsang-Jiunn	42,108	42,108	—	—	—	—	625	625	0.263	0.263	42,313	42,313	—	—	—	—	—	—	0.524	0.524	No
Director	Representative of Ruentex Industries Ltd.: Yin Wong, Yee-Fan (Note1)																					
	Representative of Ruentex Industries Ltd.: Hsu,Sheng-Yu (Note1)																					
	Representative of Ruentex Industries Ltd.: Yin, Chung-Yao																					
	Ruentex Xing Co., Ltd. Representative: Lee, Chih-Hung																					
	Ruentex Xing Co., Ltd. Representative: Chen, Li-Yu																					
	Representative of Yingjia Investment Co., Ltd.: Ho, Kai-Lin																					
Independent Director	Ko, Shun-Hsiung	—	—	—	—	—	—	2,460	2,460	0.015	0.015	—	—	—	—	—	—	—	0.015	0.015	No	
	Chang, Guo-Zhen																					
	Zhao, Yi-Long																					
Total		42,108	42,108					3,085	3,085	0.278	0.531	42,313	42,313							0.539	0.539	
<div>1. The policy, system, standard, and structure of remuneration for directors and the relevance to the amount of remuneration in terms of their duty, risk, and time of involvement: With respect to the articles of incorporation of this Company, all directors are remunerated with respect to their involvement in corporate operations and contributions, with the Board of Directors authorized to determine the actual amount.</div> <div>2. In addition to those disclosed in the above table, the remuneration of the Company's Director for providing services (e.g. as acting as a non-employee consultant) to any of the firms disclosed in the financial statements in the most recent year: N/A.</div> <div>Note1 : Representative pf the Company's corporate director Ruentex Industries Ltd.; Director Yin Wong, Yee-Fan quit on January 26, 2022 while the replacement representative Hsu,Sheng-Yu was reassigned to take office on January 26, 2022.</div>																						

- The policy, system, standard, and structure of remuneration for directors and the relevance to the amount of remuneration in terms of their duty, risk, and time of involvement: With respect to the articles of incorporation of this Company, all directors are remunerated with respect to their involvement in corporate operations and contributions, with the Board of Directors authorized to determine the actual amount.
 - In addition to those disclosed in the above table, the remuneration of the Company's Director for providing services (e.g. as acting as a non-employee consultant) to any of the firms disclosed in the financial statements in the most recent year: N/A.
- Note1 : Representative of the Company's corporate director Ruentex Industries Ltd.; Director Yin Wong, Yee-Fan quit on January 26, 2022 while the replacement representative Hsu, Sheng-Yu was reassigned to take office on January 26, 2022.

Note: Where there is a director who is also an employee and receives employee remuneration for the most recent year, the amount of employee remuneration approved by the Board of Directors shall be disclosed. If the remuneration cannot be estimated, the Company shall calculate the proposed distribution balance this year based on the amount of actual distribution in the previous year.

Range of Remuneration

Range of Remuneration for Directors	Name of Director			
	Total Amount of A to D		Total Amount of A to G	
	The company	All Firms Disclosed in the Financial Statements H	The company	All Firms Disclosed in the Financial Statements I
<u>Less than NT\$1,000,000</u>	Zhao, Yi-Long;Ko, Shun-Hsiung; Chang, Guo-Chen; Representatives of Ruentex Industries Ltd.: Hsu,Sheng-Yu and Yin, Chung-Yao Representative of Ruentex Xing Co. Ltd.: Lee,Chih-Hung;Chen,Li-Yu Representative of Yingjia Investment Co., Ltd: Ho,Kai-Lin	Zhao, Yi-Long;Ko, Shun-Hsiung; Chang, Guo-Chen; Representatives of Ruentex Industries Ltd.: Hsu,Sheng-Yu and Yin, Chung-Yao Representative of Ruentex Xing Co. Ltd.: Lee,Chih-Hung;Chen,Li-Yu Representative of Yingjia Investment Co., Ltd: Ho,Kai-Lin	Zhao, Yi-Long;Ko, Shun-Hsiung; Chang, Guo-Chen; Representatives of Ruentex Industries Ltd.: Hsu,Sheng-Yu and Yin, Chung-Yao Representative of Yingjia Investment Co., Ltd: Ho,Kai-Lin	Zhao, Yi-Long;Ko, Shun-Hsiung; Chang, Guo-Chen; Representatives of Ruentex Industries Ltd.: Wang, Chi-Fan and Yin, Chung-Yao Representative of Yingjia Investment Co., Ltd: Ho,Kai-Lin
NT\$1,000,000 (included) – NT\$2,000,000 (excluded)				
NT\$2,000,000 (included) – NT\$3,500,000 (excluded)				
NT\$3,500,000 (included) – NT\$5,000,000 (excluded)	—		—	—
NT\$5,000,000 (included) – NT\$10,000,000 (excluded)			Representative of Ruentex Xing Co. Ltd.:Chen,Li-Yu	Representative of Ruentex Xing Co. Ltd.:Chen,Li-Yu
NT\$10,000,000 (included) – NT\$15,000,000 (excluded)				
NT\$15,000,000 (included) – NT\$30,000,000 (excluded)				
NT\$30,000,000 (included) – NT\$50,000,000 (excluded)	Representative of Yingjia Investment Co., Ltd: Jean,Tsang-Jiunn	Representative of Yingjia Investment Co., Ltd: Jean,Tsang-Jiunn	Representative of Ruentex Xing Co. Ltd.: Lee,Chih-Hung Representative of Yingjia Investment Co., Ltd: Jean,Tsang-Jiunn	Representative of Ruentex Xing Co. Ltd.: Lee,Chih-Hung Representative of Yingjia Investment Co., Ltd: Jean,Tsang-Jiunn
NT\$50,000,000 (included) – NT\$100,000,000 (excluded)				
NT\$100,000,000 and Above				
Total	9 people	9 people	9 people	9 people

Note 1 : Names of directors shall be enumerated respectively. (In case of corporate shareholders, the names of the corporate shareholders and their representatives shall be enumerated respectively) · It shall respectively enumerate the general directors and independent directors to disclose a variety of amounts of payments in aggregation. Where a director concurrently serves as the President or Vice President, both this Table and the Table below shall be enumerated.

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

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

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

Note 5 : It refers to such salaries, position bonus, resignation fees, a variety of bonuses, incentives, traffic allowance s, special expenditures, a variety of allowances, dormitories, vehicle allocations and other objects provided to the directors who concurrently served as employees most recent year (including concurrently presidents, vice presidents, other managerial officers and employees). In case of provision of housings, vehicles or other transportations as individual expenditures, the Company shall disclose the attributes and costs for such provisions; such rents, fuel costs or other payments as substantially paid or counted based on the fair market prices. In case of chauffeurs provided, please remark the relevant remuneration paid to the chauffeurs which, nevertheless, shall not be counted inclusively into the remuneration. Besides, such

salary expenses recognized under IFRS 2 "Share Based Payment", including the acquisition of employee stock option certificates, restriction upon employee rights from new shares and participation in cash capital increase subscription shares and the like shall also be counted inclusively into the remuneration as well.

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

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

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

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

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

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

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

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

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

(2) Remuneration For the President and Vice Presidents

(expressed in NT\$ thousands)

Title	Name	Salary (A)		Severance Pay/Retirement Allowance (F) (B)		Bonuses & Special Expenses (C)		Amount of Remuneration to Employee (D) (Note 2)				Percentage of the Sum of A to D in Profit After Tax		Whether or not receiving remuneration from investees or the parent company other than subsidiaries
		The company	All Firms Disclosed in the Financial Statements	The company	All Firms Disclosed in the Financial Statements	The company	All Firms Disclosed in the Financial Statements	The Company		All Firms Disclosed in the Financial Statements		The Company	All Firms Disclosed in the Financial Statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Lee, Chih-Hung	77,256	77,256	—	—	—	—	7,682	—	7,682	—	0.523	0.523	No
Vice President	Zhou, Pei-Ling													
Vice President	Chen, Li-Yu													
Vice President	Yen, Tien-Cheng													
Vice President	Lin, Ting-Jie													
Vice President	Lin, Chin-Szu													
Vice President	Cheng, Wen-Ching													
Vice President	Wang, Guo-Rong													
Vice President	Wang, Pei-Shou													
Vice President	Liu, Wen-Tan													
Vice President	Chang, Wen-Ren													
Manager, Zhonglun Branch	Kao, Jie-Wen													

Range of Remuneration

Range of Remuneration for Presidents and Vice Presidents	Name of President/Vice President	
	The company	All Firms Disclosed in the Financial Statements E
Less than NT\$1,000,000		
NT\$1,000,000 (included) – NT\$2,000,000 (excluded)	Cheng, Wen-Ching	Cheng, Wen-Ching
NT\$2,000,000 (included) – NT\$3,500,000 (excluded)	Wang, Pei-Shou , Chang, Wen-Ren, Liu, Wen-Tan and Kao, Jie-Wen	Wang, Pei-Shou , Chang, Wen-Ren, Liu, Wen-Tan and Kao, Jie-Wen
NT\$3,500,000 (included) – NT\$5,000,000 (excluded)	Zhou, Pei-Ling, Lin, Ting-Jie and Wang, Guo-Rong	Zhou, Pei-Ling, Lin, Ting-Jie and Wang, Guo-Rong
NT\$5,000,000 (included) – NT\$10,000,000 (excluded)	Yeh, Tien-Cheng; Lin, Chin-Szu; and Chen, Li-Yu	Yeh, Tien-Cheng; Lin, Chin-Szu; and Chen, Li-Yu
NT\$10,000,000 (included) – NT\$15,000,000 (excluded)	—	—
NT\$15,000,000 (included) – NT\$30,000,000 (excluded)	—	—
NT\$30,000,000 (included) – NT\$50,000,000 (excluded)	Lee, Chih-hung	Lee, Chih-hung
NT\$50,000,000 (included) – NT\$100,000,000 (excluded)		
NT\$100,000,000 and Above		
Total	12 people	12 people

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

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

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

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

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

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

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

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

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

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

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

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

3. Remuneration for Managers

Expressed in Thousand New Taiwan Dollars

December 31, 2021

	Title (Note1)	Name (Note1)	Stock Amount	Cash Amount	Total	Percentage in Net Earnings After Tax
Managers	President	Lee, Chih-Hung	—	11,115	11,115	0.07%
	Vice President	Zhou, Pei-Ling				
	Vice President	Chen, Li-Yu				
	Vice President	Yen, Tien-Cheng				
	Vice President	Lin, Chin-Szu				
	Vice President	Cheng, Wen-Ching				
	Vice President	Wang, Guo-Rong				
	Vice President	Wang, Pei-Shou				
	Vice President (took office on 2021/4/1)	Liu, Wen-Tan				
	Vice President (took office on 2021/5/1)	Chang, Wen-Ren				
	Assistant Vice President	Tsai, Pei-Jin				
	Assistant Vice President	Chang, Wei-Cheng				
	Assistant Vice President	Yang, Wen-Chuen				
	Assistant Vice President	Gong, Hui-Zi				
	Assistant Vice President	Tsai, Jia-Sheng				
	Assistant Vice President	Zhuang, Guo-Zhi				
	Assistant Vice President	Chen, Po-Yu				
	Assistant Vice President	Lin, Chun-Miao				
	Assistant Vice President (took office on April 1, 2021)	Wei, Yu-Ci				
	Assistant Vice President (took office on April 1, 2021)	Yang, Ai-Zhen				
	Assistant Vice President (took office on April 1, 2022)	Lee, An-Xian				
	Assistant Vice President (took office on April 1, 2022)	Hu, Yu-Lin				
	Manager, Zhonglun Branch	Kao, Jie-Wen				

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

Note 2: Refers to the remuneration for managers (including stock and cash) approved by the Board of Directors in the previous year. If the remuneration cannot be estimated, the Company shall calculate the proposed distribution balance this year based on the amount of actual distribution in the previous year. Net Earnings After Tax refers to the net income after tax in the individual financial statement of the previous year.

Note 3: Referring to Letter Tai-Cai-Zheng-San-Zi No. 0920001301 (Taiwan-Finance-Securities-III-0920001301) of the Financial Supervisory Commission dated March 27, 2003, the scope of managers is as follows:

- (1) Presidents and equivalent level; (2) Vice presidents and equivalent level; (3) Assistant vice presidents and equivalent level;
- (4) Financial supervisor; (5) Accounting supervisor;
- (6) Other managers and authorized personnel.

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

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

1. In case of a loss after tax appears in the individual or respective financial statements in the most recent three (3) years, the amounts of remunerations for the respective directors shall be disclosed. Except an event where a net profit after tax is already seen in the individual or respective financial statements in the most recent year which is adequate enough to make up the accumulated loss: Such fact is nonexistent.
2. In the event that the shareholding percentage by the directors in the most recent year has been inadequate to meet the requirements for up to three (3) months in a row, please disclose the remuneration paid to the respective directors: Such fact is nonexistent.

3. Where the average pledge by directors has been greater than 50% for three (3) months in the most recent year, please enumerate the remuneration paid to such individual directors with pledge greater than 50% in the said month(s): Such fact is nonexistent..
4. Where the director remuneration received by entire directors from all companies covered within the financial statements account for in excess of 2% of the net profit after tax and an individual director receives remuneration amounts to over NT\$15 million, please disclose the remuneration amount paid to that director: Such fact is nonexistent..
5. Where a TWSE/TPEX listed company ranks in the last grade level in the corporate governance evaluation results in the most recent year or has changed transaction approach, discontinued trading, terminated TWSE/TPEX listing or has been resolved by the Corporate Governance Evaluation Committee as not entitled to evaluation in the most recent year as of the publication date of the Annual Report: Such fact is nonexistent.
6. Where the salaries averaged for full-time employees serving not as a department head in a TWSE/TPEX listed company are not up to NT\$500,000 in the most recent year: Such fact is nonexistent.
- (3) Where a TWSE/TPEX listed company meets an event among those enumerated under Subparagraph 1 or 5 of the preceding Paragraph, please disclose the remunerations paid to the top highest supervisory officers: Such fact is nonexistent.
- (4) Respectively compare and explain with analysis that the aggregate total amounts of remunerations paid to the Company's directors, President and Vice President in the two most recent years as shown through the Company's consolidated financial statements for the percentage to the net profits after tax in the individual or respective financial statements and explanatory the policies regarding payment of remunerations, standards/criteria and compositions, procedures to fix the remuneration along with the interrelationship with the business performance and risks in the future.

- 1) The ratio taken by the gross total of remuneration paid by this Company and all firms disclosed in the Consolidated Financial Statements to the directors, presidents, and vice presidents of this Company to the net earnings after tax over the past two years:

Position title:	Ratio of Remuneration in the Net Earnings After Tax					
	2020		2021		Differences in Two Years	
	The company	All Firms Disclosed in the Consolidated Financial Statements	The company	All Firms Disclosed in the Consolidated Financial Statements	The company	All Firms Disclosed in the Consolidated Financial Statements
Directors (Note ①)	1.009%	1.009%	0.539%	0.539%	0.47%	0.47%
Supervisors (Note ②)	—	—	—	—	—	—
Presidents and Vice Presidents	0.890%	0.890%	0.523%	0.523%	0.367%	0.367%
Note ①: Including the remunerations paid to those who concurrently serve as the managerial officers.						
Note ②: The Company has set up the Audit Committee while the supervisors were discharged after the Audit Committee was set up.						

Descriptions: (1) In 2021, the percentage of remunerations paid to the directors by those consolidated and individual companies to the net profit after tax decreased by 0.47% as compared with 2020, due primarily to the facts that in 2021, the profit grew over the preceding year, leading to a drop in the percentage.

- (2) In 2021, the percentage of remunerations paid to the presidents and vice presidents by those consolidated and individual companies to the net profit after tax decreased by 0.367% as compared with 2020, due primarily to the facts that in 2021, the profit grew over the preceding year, leading to a drop in the percentage.

- 2) Description of the policies, criteria, and composition of remuneration; the procedures to determine remuneration, their interrelationship with business performance, and future risks:

- (1) Principles for remuneration to directors: As expressly provided for in the Company's Articles of Incorporation, the Board of Directors is authorized with plenipotentiary power to determine the amounts of remuneration to directors with reference to degrees of their participation in the Company's business and value of their contribution further with reference to the criteria prevalent in firms and companies in the same industry. The relevant amounts are proposed by the Remuneration Committee to and approved by the Board of Directors through resolution process.
- (2) The remunerations paid to the presidents and vice presidents include salaries, incentives in amounts determined on the grounds of the Company's business performance, their individual performance and the results of performance evaluation, given degrees of their contribution to the Company with reference to the rates prevalent in firms and companies in the same industry.
- (3) Procedures to determine the remunerations: Taking into accounts with reference to the Company's overall business performance, potential risks to challenge the industries in the future, trends of development as well as degree of their accomplishment of performance targets and contribution to the Company's business performance. The relevant performance evaluation and rationality of remuneration have been duly proposed by the Remuneration Committee, submitted to and resolved by the Board of Directors beforehand. In line with the substantial business operation and the laws and ordinances concerned, such remunerations are reassessed in real time to assure a sound balance between sustainable development and risk management.

IV. Corporate Governance:

(1) Operation of the Board of Directors:

In the most recent fiscal year (2021), the Board of Directors convened a total of 13 meetings

(A). The facts of participation by directors are as enumerated below:

Title	Name	Actual Attendances (Appearances) (B)	Attendances by Proxy	Rate of Actual Attendance (%) (B/A)	Remark
Chairman	Representative of Yingjia Investment Co., Ltd.: Jean, Tsang-Jiunn	13	0	100	Re-elected on 2020/6/9
Director	Representative of Ruentex Industries Ltd.: Yin Wong, Yee-Fan (Note 1)	12	1	92	
	Representative of Ruentex Industries Ltd.: Yin, Chung-Yao	3	7	23	
	Representative of Ruentex Xing Co., Ltd.: Lee, Chih-Hung	13	0	100	
	Representative of Ruentex Xing Co., Ltd.: Chen, Li-Yu	13	0	100	
	Representative of Yingjia Investment Co., Ltd.: Ho, Kai-Lin	13	0	100	took office on 2020/7/3
Independent Director	Ko, Shun-Hsiung (Note 2)	13	0	100	Re-elected on 2020/6/9
	Chang, Guo-Zhen	12	1	92	
	Zhao, Yi-Long	10	3	77	

Note 1: The representative of the Company's corporate director Ruentex Industries Ltd. was served by Hsu Sheng-Yu to replace Yin Wong, Yee-Fan starting from 2022.01.26,

Note 2: The actual attendance of Independent Director Ko, Shun-Hsiung was 100%, demonstrating that at least one independent director attended every board meeting.

Other Information Required for Disclosure:

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

1. Issues required under Article 14~3 of Securities and Exchange Act: The Company has set up the Audit Committee. Pursuant to provisions set forth under Article 14~5 of Securities and Exchange Act, the provisions set forth under Article 14~3 of Securities and Exchange Act do not apply to the Company. For more details of the information concerned please refer to business operation by the Audit Committee appearing on P. 20 of the present Annual Report.
2. Other Board of Directors resolutions to which objections or qualified opinions for the record or in writing are expressed by independent directors: NA

II. When there is avoidance of conflicts of interest by a director, specify the name of that director, the involved proposal(s), the cause(s) of the avoidance of conflicts of interest, and the participation in voting of that director:

Board of Directors	Proposal	Avoidance of Conflicts of Interest	Participation in Voting
16 th Term 10 th Meeting 2021/2/4	1. Proposal to discuss the 2020 year-end bonuses for managers.	Director Lee, Chih-Hun and Director Chen, Li-Yu served as the Company's President and Vice President as the related parties to the present issue. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, they both declared avoidance from conflict of interests and did not participate in the resolution process.	Except the directors who did not participate in the resolution process due to avoidance from conflict of interests, all directors did not object at all and confirmed consent. The issue is duly resolved as proposed.
	2. Proposal to discuss the 2020 year-end bonus for the Company's Chairman.	Jean, Tsang-Jiunn serves as the Company's Chairman as a related party toward the present issue. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, he declared avoidance from conflict of interests and did not participate in the resolution process.	Except the directors who did not participate in the resolution process due to avoidance from conflict of interests, all directors did not object at all in response to inquiry by the acting chairperson to confirm consent that the issue is duly resolved as proposed.
	3. Proposal to sign the account closing agreement with Ruentex Engineering & Construction Co., Ltd. for the "The Silk Court Construction Project."	Directors Lee, Chih-Hun, Yin, Chung-Yao serve with Ruentex Materials Co., Ltd. as its directors; Directors Jean, Tsang-Jiunn and Chen, Li-Yu are in affiliation relationship with Ruentex Materials Co., Ltd.; Director Yin Wong, Yee-Fan is a blood relative within the second degree of kinship with a director as the related parties in the present issue. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, they declared avoidance from conflict of interests and did not participate in the resolution process.	
	4. Proposal to sign the account closing agreement with Ruentex Interior Design Inc. (hereinafter referred to as Ruentex Interior Design) for the "The Silk Court Lobby and Public Utility Landscaping Project."	Pursuant to the Company's Specifications Governing the Board of Directors Meeting, they declared avoidance from conflict of interests and did not participate in the resolution process.	

Board of Directors	Proposal	Avoidance of Conflicts of Interest	Participation in Voting
16 th Term 12 th Meeting 2021/3/26	1. Proposal for the “Environmental vibration impact assessment study of the underground tunnels of Taiwan Railway, High Speed Rail and MRT Bannan Line in the Heart of Nangang urban regeneration project let by the Taipei City Government” commission contract to be signed between the Company and the Chinese Taiwan Society for Earthquake Engineering.	Independent director Chang, Kuo-Chen serves as a supervisor of that society as a related party in the present issue. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, he declared avoidance from conflict of interests and did not participate in the resolution process.	Except the directors who did not participate in the resolution process due to avoidance from conflict of interests, all directors did not object at all and confirmed consent. The issue is duly resolved as proposed.
	2. Proposal for Zhonglun Branch of the Company to sign the account closing agreement with Ruentex Engineering & Construction Co., Ltd. for the “RT-mart Zhonglun Store Renovation Project.” Approval is respectfully requested.	Director Lee, Chih-Hun and Yin, Chung-Yao serve as directors of Ruentex Engineering & Construction Co., Ltd.; Director Yin Wong, Yee-Fan is a blood relatives within the second degree of kinship of a director of Ruentex Engineering & Construction Co., Ltd.. Director Jean, Tsang-Jiunn and Director Ho, Kai-Lin are directors assigned by the corporate director of Ruentex Engineering & Construction Co., Ltd. as related parties to the present issue. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, they declared avoidance from conflict of interests and did not participate in the resolution process.	Except the directors who did not participate in the resolution process due to avoidance from conflict of interests, all directors did not object at all in response to inquiry by the acting chairperson to confirm consent that the issue is duly resolved as proposed.
	3. Proposal for Zhonglun Branch of the Company to sign the account closing agreement with Ruentex Interior Design Inc. for the “RT-mart Zhonglun Store Renovation Project.”	Director Jean, Tsang-Jiunn and Director Lee, Chih-Hun serve as directors of Ruentex Interior Design Inc.; Director Yin, Chung-Yao and Director Yin Wong, Yee-Fan serve as directors of a corporate director of Ruentex Interior Design Inc. as related parties in the present issue. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, they declared avoidance from conflict of interests and did not participate in the resolution process.	
16 th Term 13 th Meeting	1. Proposal for the Company to sign a construction contract with Ruen Yang Construction Co., Ltd. for the “Ruentex Development Songjiang Road Demolition	Director Lee, Chih-Hun and Director Yin, Chung-Yao serve as directors of a corporate director of Ruen Yang	Except the directors who did not

Board of Directors	Proposal	Avoidance of Conflicts of Interest	Participation in Voting
2021/04/26	Project.”	Construction Co., Ltd.; Director Yin Wong, Yee-Fan is a blood relative within the second degree of kinship of a director representative of a corporate director of Ruen Yang Construction Co., Ltd.; Director Jean, Tsang-Jiunn and Director Ho, Kai-Lin are directors assigned by a director of corporate director Ruen Yang Construction Co., Ltd. as related parties in the present issue. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, they declared avoidance from conflict of interests and did not participate in the resolution process.	participate in the resolution process due to avoidance from conflict of interests, all directors did not object at all in response to inquiry by the acting chairperson to confirm consent that the issue is duly resolved as proposed.
	2. Proposal for the Company to apply for a syndicated loan of NT\$6.2 billion from KGI Commercial Bank Ltd. and The Bank of East Asia, Hong Kong Ltd. for its subsidiary, Ruentex Innovative Development Co., Ltd. with the Company being the joint guarantor.	Directors Jean, Tsang-Jiunn and Lee, Chih-Hun serve with Ruentex Innovative Development Co. Ltd. as directors. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, they declared avoidance from conflict of interests and did not participate in the resolution process.	
16 th Term 15 th Board Meeting 2021/7/6	1. The motion for the Company's subscription to the common shares of Ruen Fu Newlife Corp. in its capital increase through cash injection which calls for acknowledgement.	Director Jean, Tsang-Jiunn serves as the director of Ruen Fu Newlife Corp. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, he declared avoidance from conflict of interests and did not participate in the resolution process.	Except the directors who did not participate in the resolution process due to avoidance from conflict of interests, all directors did not object at all in response to inquiry by the acting chairperson to confirm consent that the issue is duly resolved as proposed.
	2. Motion about that the Company intends to sign undertaking contract with Ruentex Interior Design Inc. on “Ruentex Dingfeng Public Facilities & Landscaping Project” is posed into discussion.	Directors Jean, Tsang-Jiunn and Lee, Chih-Hun are directors of Ruentex Interior Design Inc. as related parties in the present issue. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, they declared avoidance from conflict of interests and did not participate in the resolution process.	
	3. Motion about the Company's subscription to the common shares of Ruen Cheng Investment Holdings Co., Ltd. amidst its capital increase through cash injection is posed into discussion.	Director Yin Wong, Yee-Fan and Director Yin, Chung-Yao serve as directors of Ruen Cheng Investment Holdings Co., Ltd. as related parties in the present issue. Pursuant to the Company's Specifications	

Board of Directors	Proposal	Avoidance of Conflicts of Interest	Participation in Voting
		Governing the Board of Directors Meeting, they declared avoidance from conflict of interests and did not participate in the resolution process.	
16 th Term 16 th Board Meeting 2021/8/12	1. Motion about the Company's subscription to the common shares of Ruentex Construction International Co., Ltd. amidst its capital increase through cash injection is posed into discussion.	Director Jean, Tsang-Jiunn, Director Lee, Chih-Hun and Director Chen, Li-Yu serve as directors of Ruentex Construction International Co., Ltd. as the related parties in the present issue. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, they declared avoidance from conflict of interests and did not participate in the resolution process.	Except the directors who did not participate in the resolution process due to avoidance from conflict of interests, all directors did not object at all in response to inquiry by the acting chairperson to confirm consent that the issue is duly resolved as proposed.
	2. Motion that the Company intends to waive the subscription in the capital increase through cash injection in the Ruentex Baiyi Co., Ltd. is posed into discussion.	Directors Jean, Tsang-Jiunn and Lee, Chih-Hun serve with Ruentex Baiyi Co., Ltd. as directors as related parties in the present issue. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, they declared avoidance from conflict of interests and did not participate in the resolution process.	
	3. Motion that the Company intends to execute undertaking contract(s) with Ruentex Interior Design Inc. to undertake "Design for Ruentex Wuguwang Project A for Public Facilities in the Elevator Lobby" and "Design for Ruentex Wuguwang Project B for Public Facilities in the Elevator Lobby" is posed into discussion.	Directors Jean, Tsang-Jiunn and Lee, Chih-Hun are directors of Ruentex Interior Design Inc. as related parties in the present issue. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, they declared avoidance from conflict of interests and did not participate in the resolution process.	
	4. Motion that the Company intends to execute undertaking contract with Ruentex Construction International Co., Ltd. to undertake "New Construction Project for Ruentex Innovative Development Co. Ltd. on Sungjiang Road" is posed into discussion.	Director Yin, Chung-Yao serves as a director for a corporate director of Ruentex Construction International Co., Ltd.; Director Yin Wong, Yee-Fan is a blood relative within the second degree of kinship of the aforementioned director as related parties in the present issue. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, they declared avoidance from conflict of interests and did not participate in the resolution process.	

Board of Directors	Proposal	Avoidance of Conflicts of Interest	Participation in Voting
16 th Term 19 th Board Meeting 2021/10/25	1. Motion that the Company intends to execute undertaking contract (s) with Ruentex Interior Design Inc. on the “Ruentex Wenhua Public Facilities & Landscaping Project”, “Ruentex Dingfeng Exterior Wall Large Stone Board Transaction”, “Songtao Court A2-4F Real Building Decoration Project” is posed into discussion.	Directors Jean, Tsang-Jiunn and Lee, Chih-Hun serve as directors of Ruentex Interior Design Inc. as related parties in the present issue. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, they declared avoidance from conflict of interests and did not participate in the resolution process.	Except the directors who did not participate in the resolution process due to avoidance from conflict of interests, all directors did not object at all in response to inquiry by the acting chairperson to confirm consent that the issue is duly resolved as proposed.
16 th Term The 20 th Meeting 2021/11/12	1. Motion about the Company's subscription to the common shares of Ruentex Interior Design Inc. amidst its capital increase through cash injection is posed for discussion.	Directors Jean, Tsang-Jiunn and Lee, Chih-Hun serve as directors of Ruentex Interior Design Inc. as related parties in the present issue. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, they declared avoidance from conflict of interests and did not participate in the resolution process.	Except the directors who did not participate in the resolution process due to avoidance from conflict of interests, all directors did not object at all in response to inquiry by the acting chairperson to confirm consent that the issue is duly resolved as proposed.
16 th Term 21 st Meeting 2021/12/28	1. Motion that the Company intends to execute undertaking contract (s) with Ruentex Interior Design Inc. on the “Ruentex Dingfeng Exterior Wall Large Stone Board Transaction” is posed into discussion.	Directors Jean, Tsang-Jiunn and Lee, Chih-Hun serve as directors of Ruentex Interior Design Inc. as related parties in the present issue. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, they	Except the directors who did not participate in the resolution process due

Board of Directors	Proposal	Avoidance of Conflicts of Interest	Participation in Voting
		declared avoidance from conflict of interests and did not participate in the resolution process.	to avoidance from conflict of interests, all directors did not object at all in response to inquiry by the acting chairperson to confirm consent that the issue is duly resolved as proposed.
	2. Motion that the Company intends to sell one housing unit on 11F plus 7 parking spaces of Housing Unit A1 of “Sungtao Court” on Nanhai Section, Zhongzheng District, Taipei City to related party(ies) is posed to discussion.	Director Yin, Chung-Yao serves as a director of Peng Lin Investment Co., Ltd., Director Yin Wong, Yee-Fan is a blood relatives within the second degree of kinship of a director of Peng Lin Investment Co., Ltd.; Director Jean, Tsang-Jiunn and Director Ho, Kai-Lin are directors appointed by the corporate director of Peng Lin Investment Co., Ltd.; Director Lee, Chih-Hun and Director Chen, Li-Yu are directors appointed by Ruentex Xing Co., Ltd. as related parties in the present issue. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, they declared avoidance from conflict of interests and did not participate in the resolution process.	
	3. Motion that the Company intends to sell one housing unit on 23F, A6 plus two parking spaces of “Ruentex Daan Fuyang” in Xinhai Section, Da-an District, Taipei City to a related party is posed into discussion.	Director is a related party in the present case. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, he declared avoidance from conflict of interests and did not participate in the resolution process.	
16 th Term The 22 nd Meeting 2022/1/25	1. Motion that the Company intends to execute a transaction contract (s) with Ruentex Materials Co., Ltd. toward the building materials for Ruentex Fuyang is posed into discussion.	Director Yin Wong, Yee-Fan, Director Yin, Chung-Yao and Director Lee, Chih-Hun serve with Ruentex Materials Co., Ltd. as directors; Directors Jean, Tsang-Jiunn, Ho, Kai-Lin and Chen, Li-Yu are directors appointed by a corporate director of Ruentex Materials Co., Ltd. and are thus in interested relationship involved. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, he declared avoidance from conflict of interests and did not participate in the resolution process.	Except the directors who did not participate in the resolution process due to avoidance from conflict of interests, all directors did not object at all in response to inquiry by the acting chairperson to confirm consent that the issue is duly resolved

Board of Directors	Proposal	Avoidance of Conflicts of Interest	Participation in Voting
			as proposed.
16 th Term 23 rd Meeting 2022/3/15	1. Motion that the Company intends to execute contract (s) with Ruentex Interior Design Inc. for “Transaction on Ruentex Yangbei Exterior Wall Stone Material Boards: and “Ruentex Funfeng B1-7F Housing Decoration Project” is posed into discussion.	Directors Jean, Tsang-Jiunn, Yin, Chung-Yao, Lee, Chih-Hun and Ho, Kai-Lin serve as directors of Ruentex Materials Co., Ltd. involving interested relationship in the present case. Pursuant to the Company's Specifications Governing the Board of Directors Meeting, he declared avoidance from conflict of interests and did not participate in the resolution process.	Except the directors who did not participate in the resolution process due to avoidance from conflict of interests, all directors did not object at all in response to inquiry by the acting chairperson to confirm consent that the issue is duly resolved as proposed.
16 th Term The 24 th Meeting 2022/4/25	1. Motion that the Company intends to execute contract (s) on “Transaction for Wuguwang Building Materials Project A” and “Transaction for Wuguwang Building Materials Project B” is posed into discussion.	Independent director Chang Kuo-Chen, Director Yin, Chung-Yao, Director Hsu Sheng-Yu and Director Lee, Chih-Hun serve as directors of Ruentex Materials Co., Ltd.. Directors Chen, Shean-Chang, Ho, Kai-Lin and Chen, Li-Yu are directors appointed by a corporate director of Ruentex Materials Co., Ltd. and thus are in interested relationship in the issue. Pursuant to the Company's Specifications on the Directors Meeting, they declared avoidance from conflict of interests and did not participate in the resolution process.	Except the directors who did not participate in the resolution process due to avoidance from conflict of interests, all directors did not object at all in response to inquiry by the acting chairperson to confirm consent that the issue is duly resolved as proposed.

3. The cycle and duration, scope, method, and contents of self-assessment or peer assessment of the board of directors:

Status of Board Evaluation

Assessment Cycle	Assessment Duration	Assessment Scope	Assessment Method
Once a year	2021.01.01~2021.12.31	Board of Directors Individual board members Audit Committee Remuneration Committee	Board self-assessment Board member self-assessment Audit Committee self-assessment Remuneration Committee self-assessment
<p>Contents of assessment</p> <p>(1) Evaluation into performance by the Board of Directors: Including: A. Degree of participation in the Company's business operation. B. Quality in upgrading the Board of Directors' policymaking process. C. The composition and structure of the Board of Directors; D. Election and continuing education of directors. E. Internal control system, five major aspects in total.</p> <p>(2) Evaluation into performance by individual members of the Board: Including: A. The mastery of the goals and targets of the Company; B. Awareness of a director's duties and responsibilities; C. Extent of participation in the Company's business operation; D. Management and communications into internal relationship; E. Professionalism and continuing education of directors. B. Internal control system, six aspects in total.</p> <p>(3) Evaluation into performance by Audit Committee: Including: A Extent of participation in the Company's business operation; B. Awareness of the Audit Committee's duties and responsibilities; C. Quality of policymaking process by the Audit Committee; D. Composition of the Audit Committee and election of the Committee members; E. Internal control system, five aspects in total.</p> <p>(4) Evaluation into performance by Remuneration Committee: Including: A Extent of participation in the Company's business operation; B. Awareness of the Remuneration Committee's duties and responsibilities; C. Quality of policymaking process to upgrade the quality of the Remuneration Committee; D. Composition of the Remuneration Committee and election of the Committee members, four aspects in total.</p>			

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

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

(1) Implement corporate governance and improve information transparency:

- A. To enhance governance and to optimize supervision, we established the Audit Committee in June 2016, with all indirect directors (3) as Committee Members.
- B. The Company established the Remuneration Committee by law in 2011 which comprised of (three) independent directors who are appointed by the Board, to enhance corporate governance.
- C. To enhance the performance of the board of directors and establish sound corporate governance, this Company established the [Response to Requests from Directors SOP] in 2019 to help directors carry out their duties and enhance board performance. On December 28, 2016, the board of directors passed the [Regulations for BOD Performance Assessment] and disclosed them on the corporate website. Pursuant to the evaluation regulations, the Company carried out evaluation into the performance by the Board of Directors for 2021 in late 2021. The approaches in evaluation included performance by the Board of Directors; self-evaluation by the individual directors, performance of the Audit Committee and self-evaluation of the performance by the Remuneration Committee. The contents of evaluation included mastery of the Company's targets and duties, awareness of the directors' duties and responsibilities; extent of participation in the Company's business operation; effort to upgrade the policymaking process quality of the Board of Directors; management and communications of the internal relationship and the like. The results of the performance evaluation into the Company's Board of Directors in 2021 are well up to the required criteria and were reported to the Board of Directors on January 25, 2022.
- D. In 2019, the Board of Directors appointed the accounting manager, Lin, Chin-Szu, as the chief governance officer,

responsible for corporate governance related affairs, such as handling matters relating to Board of Directors, Audit Committee, Remuneration Committee and Shareholders meetings according to laws; assisting in onboarding and continuous education of directors; furnishing information required for business execution by directors; and assisting directors comply with legal compliance.

E. The Company has established the “Internal Material Information Processing SOP” to ensure the accuracy, integrity, and timeliness of disclosure of material information. The Board of Directors also appoints a dedicated unit to deal with internal material information which, implementing the spokesperson system, the spokesperson or deputy spokesperson upload material financial information to the Market Observation Post System (MOPS) and the corporate website in a timely manner to maintain the rights and interests of shareholders.

F. The Company has set up “Investor Service Zone”(formerly known as Stakeholders’ Special Zone” through the Company's website, to respectively set up financial information, shareholders’ zone, corporate governance, significant information, contact windows and the like.. Proactively, we set up sound channels for communications with stakeholders to further boost the transparency of the outbound information.

G. Each annual meeting of shareholders is scheduled to accept proposals from shareholders. Shareholders who are entitled to propose may apply to the Company during the acceptance period, and the Company will convene a Board of Directors’ meeting to review the proposals.

(2) Facts on directors’ continuing education: (Continuing education in 2021)

Title	Name	Date	Organizer	Course	Length	Compliance with Requirements
Chairman Representative of Yingjia Investment Co., Ltd.:	Jean, Tsang-Jiunn	10/28	Securities & Futures Institute	In 2021, we sponsored a presentation toward internal staff focusing on equity transaction related laws and compliance.	3	Yes
		12/07	Taiwan Stock Exchange	Cathay Pacific Sustainable Finance & Climate Change 2021 Summit Forum	3	
Director Representative of Ruentex Industries Ltd.	Yin Wong, Yee-Fan (Note 1)	09/01	Financial Supervisory Commission	“The 13th Taipei Corporate Governance Forum”	3	Yes
		12/07	Accounting Research and Development Foundation in Taiwan	Protection over business secrets and corporate governance	3	
Director Representative of Ruentex Xing Co. Ltd.	Lee, Chih-Hung	09/01	Financial Supervisory Commission	“The 13th Taipei Corporate Governance Forum”	3	Yes
		12/07	Accounting Research and Development Foundation in Taiwan	Protection over business secrets and corporate governance	3	
Director Representative of Ruentex Industries Ltd.	Yin, Chung-Yao	09/01	Financial Supervisory Commission	“The 13th Taipei Corporate Governance Forum”	3	Yes
		10/27	Securities & Futures Institute	In 2021, we sponsored a presentation toward internal staff focusing on equity transaction related laws and compliance.	3	
Director Representative of Ruentex Xing Co. Ltd.	Chen, Li-Yu	10/22	Securities & Futures Institute	In 2021, we sponsored a presentation toward internal staff focusing on equity transaction related laws and compliance.	3	Yes
		12/07	Accounting Research and Development Foundation in Taiwan	Protection over business secrets and corporate governance	3	
Director Representative of Yingjia Investment Co., Ltd.:	Ho, Kai-Lin	10/22	Securities & Futures Institute	In 2021, we sponsored a presentation toward internal staff focusing on equity transaction related laws and compliance.	3	Yes
		12/07	Accounting Research and Development Foundation in Taiwan	Protection over business secrets and corporate governance	3	

Title	Name	Date	Organizer	Course	Length	Compliance with Requirements
Independent Director	Ko, Shun-Hsiung	06/30	Taiwan Corporate Governance Association	Merger/acquisition (M&A) strategy and planning	3	Yes
		10/28		Enterprise Management from CRS to ESG	3	
Independent Director	Chang, Guo-Zhen	09/01	Financial Supervisory Commission	"The 13th Taipei Corporate Governance Forum"	3	Yes
		12/07	Accounting Research and Development Foundation in Taiwan	Protection over business secrets and corporate governance	3	
Independent Director	Zhao, Yi-Long	09/01	Financial Supervisory Commission	"The 13th Taipei Corporate Governance Forum"	3	Yes
		11/16	Securities & Futures Institute	Advanced Seminar on The Practice of Directors, Supervisors and Corporate Governance Heads- The Technology Development and Business Model of Blockchain	3	

Note 1: The representative of the Company's corporate director Ruentex Industries Ltd. was served by Hsu Sheng-Yu to replace Yin Wong, Yee-Fan starting from 2022.01.26,

2. Implementation assessment:

(1) Communication policies between the independent directors and the chief internal auditor and the CPA.

- A. The head of the internal audit reports to the independent directors (Audit Committee) on a regular basis about the performance of internal audit business.
- B. The certified public accountant(s), periodically, participate (s) in the Audit Committee (independent directors) to report the outcome of annual audit and communicate the key audit issues.
- C. Others: In the event of significant irregularities or matters that the independent directors, chief auditor and CPAs deem necessary for communication separately, meetings may be held from time to time to communicate.

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

Date	Attendees	Main points in communication	Result
2021/2/4 Audit Committee	Independent director, Ko, Shun-Hsiung Independent Director, Chang, Guo-Zhen Independent Director, Zhao, Yi-Long Chief auditor	1. Discussion of the internal audit report of Q4 2020.	Passed without objections
2021/3/26 Audit Committee	Independent director, Ko, Shun-Hsiung Independent Director, Chang, Guo-Zhen Independent Director, Zhao, Yi-Long Chief auditor CPA, Wang, Zhao-Ming (PwC Taiwan)	1. Report on the Company's ability to prepare financial statements on its own. 2. Motion on the Company's consolidated financial statement (including individual financial statements) and business report and such final account papers into discussion. 3. Motion on discussion onto the Company's Internal Control System Declaration for 2020	Passed without objections
2021/5/13 Audit Committee	Independent director, Ko, Shun-Hsiung Independent Director, Chang, Guo-Zhen Independent Director, Zhao, Yi-Long Chief auditor CPA, Wang, Zhao-Ming (PwC Taiwan)	1. Report on internal audit of the Company for the 1 st quarter, 2021 2. The Company's consolidated financial statements for the 1 st quarter, 2021	Passed without objections.
2021/7/6 Audit Committee	Independent director, Ko, Shun-Hsiung Independent Director, Chang, Guo-Zhen Independent Director, Zhao, Yi-Long Chief auditor	1. Motion to amend the Company's "Standard Specifications for Internal Control System of the Service Unit"	Passed without objections

Date	Attendees	Main points in communication	Result
2021/8/12 Audit Committee	Independent director, Ko, Shun-Hsiung Independent Director, Chang, Guo-Zhen Independent Director, Zhao, Yi-Long Chief auditor CPA, Huang, Ching-Lien (PwC Taiwan)	1. The Company's Internal Audit Report for the 2 nd Quarter, 2021 2. Report about the Company's capabilities on self-compilation of financial statements 3. The Company intends to change the certifying certified public accountants starting from the Financial Statements of the 2 nd quarter, 2021 4. Motion to discuss the Company's Consolidated Financial Statements for the first half, 2021 5. Discussion of the proposal to establish the Company's "Service Units Internal Audit Control System Standards."	Passed without objections.
2021/11/12 Audit Committee	Independent director, Ko, Shun-Hsiung Independent Director, Chang, Guo-Zhen Independent Director, Zhao, Yi-Long (appointing Independent Director, Chang, Guo-Zhen to attend the meeting as the proxy) Chief auditor Certified Public Accountant Huang Chin-Lien (PricewaterhouseCoopers Taiwan)	1. The Company's Internal Audit Report for the 3 rd Quarter, 2021 2. Report about the Company's capabilities on self-compilation of financial statements 3. Motion to discuss the Company's Consolidated Financial Statements for the 3 rd quarter, 2021	Passed without objections.
2021/12/28 Audit Committee	Independent director, Ko, Shun-Hsiung Independent Director, Chang, Guo-Zhen Independent Director, Zhao, Yi-Long (appointing Independent Director, Chang, Guo-Zhen to attend the meeting as the proxy) Chief auditor Certified Public Accountant Huang Chin-Lien (PricewaterhouseCoopers Taiwan)	1. Explanation on issues of audit planning linked up with the Company's Financial Statements 2021 2. Discussion of the 2022 internal audit program of this Company.	Passed without objections.
2022/1/25 Audit Committee	Independent director, Ko, Shun-Hsiung Independent Director, Chang, Guo-Zhen Independent Director, Zhao, Yi-Long Chief auditor	1. Report on the Company's internal audit for the 4 th quarter, 2021	Passed without objections.
2022/3/15 Audit Committee	Independent director, Ko, Shun-Hsiung Independent Director, Chang, Guo-Zhen Independent Director, Zhao, Yi-Long Chief auditor Certified Public Accountant Huang Chin-Lien (PricewaterhouseCoopers Taiwan)	1. Report on the Company's ability to prepare financial statements on its own 2. Motion on discussion of the Company's consolidated financial statements (including individual financial statements) and business report and such final account papers for 2021 3. Motion on discussion for the Company's Internal Control System Declaration for 2021	Passed without objections.

(3) The Board of Directors approved the amendments to the "Ethical Corporate Management Best Practice Principles" on October 23, 2019 and the amendments to the "Procedures for Ethical Management and Guidelines for

Conduct” on March 13, 2020 to enhance corporate governance, carry out the corporate culture, and submit the above amendments to the 2020 general meeting of shareholders.

As officially resolved on December 28, 2021, the Company duly amended the “Corporate Governance Best-Practice Principles” in compliance with the corporate governance blueprints of up-to-date version further in coordination with the latest amendment to the Securities and Exchange Act and Company Act to enhance corporate governance.

(2) Facts about the operation by the Audit Committee or performance by the supervisors in participating in the Board of Directors: Here at the Company, the Audit Committee is composed of three independent directors. The members of the Audit Committee are well known for their professional expertise and hands-on experiences. For more details, please kindly refer to the present Annual Report Page 61 The Company's Audit Committee is primarily intended to help the Board of Directors fulfill the supervisory function over the Company in implementation of finance, quality of internal control system procedures to check and make sure the effectiveness.

1. In all of 2021, the Audit Committee convened a total of 10 meetings, primarily focusing on the key issues as enumerated below:

- (1) Audit of financial statements and accounting policies and procedures
- (2) Internal control system and relevant policies & procedures
- (3) Law compliance.
- (4) Qualifications, experiences and seniority of and evaluation into independence of the attesting certified public accountants
- (5) Appointment, discharge and remuneration for an attesting certified public accountant.
- (6) Self-evaluation questionnaire of the Audit Committee members for their self-evaluation.
- (7) Other significant issues specified by the Company or the competent authority(ies).

● Review over the financial statements.

The Board of Directors duly worked out the business reports, financial statements and distribution of earnings for 2020. Among them, the financial statements had been duly audited by Certified Public Accountants Chang Shu-Chiung and Huang Chin-Lien of “PricewaterhouseCoopers Taiwan” in full who, in turn, duly issued the Audit Report. The aforementioned business reports, financial statements and distribution of earnings have been duly audited by the Audit Committee who confirms appropriate.

● Evaluation into the internal control system to check and make sure the validity.

The Audit Committee has evaluated the Company's internal control system regarding whether the policies and procedures remain effective and has further reviewed the periodical reports worked out by the Audit Department, attesting certified public accountants as well as the Company's management, including risk management and law compliance. The Audit Committee acknowledges and confirms that the Company's internal control system remains valid in terms of designs and implementation. The Company has, in turn, adopted necessary control mechanism to monitor and correct the deficiencies.

● Appointment of attesting certified public accountants

The Audit Committee has been bestowed with the duties and responsibilities to monitor and ascertain the independence of attesting certified public accountants to assure the impartiality of financial statements. In general, except taxation related services or items specifically approved, an attesting certified public accountant is not entitled to render any other services to the Company.

To assure the independence status of a Certified Public Accountant Office, the Audit Committee duly works out the independence evaluation table in accordance with Article 47 of the Certified Public Accountant Act and CPA Code of Professional Ethics Gazette #10. Accordingly, the Audit Committee evaluates and looks into independence, professionalism and competency of a certified public accountant to check and make sure whether such a certified public accountant is a related party, in inter-business transaction or involvement in financial

interests with the Company and further obtains CPA Independence Declaration. As reviewed and resolved by the Audit Committee in its 14th meeting convened on December 28, 2021 and the 21st Board of Directors meeting, CPA Chang Shu-Chiung and CPA Huang Chin-Lien of PricewaterhouseCoopers Taiwan both prove satisfactory the Criteria for Independence Evaluation, well competent to serve as the attesting certified public accountants to testify the Company's financial and taxation affairs.

2. Performance by the Audit Committee:

In the most recent fiscal year (2021), the Audit Committee convened a total of ten (10) meetings (A) which were attended by independent directors as enumerated below:

Title	Name	Actual Attendances (Appearances) (B)	Attendances by Proxy	Rate of Actual Attendance (%) (B/A) (Note 1, Note 2)	Remark
Independent Director	Ko, Shun-Hsiung	10	0	100	
	Chang, Guo-Zhen	10	0	100	
	Zhao, Yi-Long	8	2	80	

Other Information Required for Disclosure:

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

(I) An issue as set forth under Article 14~5 of Securities and Exchange Act: Already submitted to the Board of Directors for review after being resolved by the Audit Committee members.

Audit Committee	Proposal Contents and Handling	An issue as set forth under Article 14~5 of Securities and Exchange Act	Matters not passed by the Audit Committee but approved by over two-thirds of all directors.
3 rd Term 5 th Meeting 2021/2/4	1. Discussion of the internal audit report of Q4 2020.	V	—
	2. Proposal to sign the account closing agreement with Ruentex Engineering & Construction Co., Ltd. for the "The Silk Court Construction Project."	V	—
	3. Proposal to sign the account closing agreement with Ruentex Interior Design Inc. for the "The Silk Court Lobby and Public Utility Landscaping Project."	V	—
	4. Motion about that the Company intends to sell one housing unit at 6F~1 at No. B5 of "Ruentex Yangbei" at Sixin Section, Xindian District, New Taipei City plus one parking space to a related party is posed into discussion.	V	—
	Decision resolved by the Audit Committee: Duly resolved by all Audit Committee members present in the meeting.		
	The Company's measures in response to the opinions of the Audit Committee: The motion was duly resolved in the 10 meeting of the 16th term of Board of Directors convened on 2021/2/4.		
3 rd Term 6 th Meeting 2021/3/26	1. Report on the Company's ability to prepare financial statements on its own.	V	—
	2. Discussion on the Company's consolidated financial statements	V	—

Audit Committee	Proposal Contents and Handling	An issue as set forth under Article 14~5 of Securities and Exchange Act	Matters not passed by the Audit Committee but approved by over two-thirds of all directors.
	(including individual financial statements) and business report and such final account settlements of 2020.		
	3. Discussion on the remuneration to employees amortized by the Company for 2020.	V	—
	4. Discussion on proposed distribution of earnings of the Company for 2020.	V	—
	5. Discussion on the issue that in coordination with distribution of earnings in 2020, the Company is to convert the earnings into capital increase to issue new shares.	V	—
	6. Proposal for the “Environmental vibration impact assessment study of the underground tunnels of Taiwan Railway, High Speed Rail and MRT Bannan Line in the Heart of Nangang urban regeneration project let by the Taipei City Government” commission contract to be signed between the Company and the Chinese Taiwan Society for Earthquake Engineering.	V	—
	7. Discussion on the motion that Company's Zhonglun Branch intends to execute settlement agreement with Ruentex Materials Co., Ltd. for the “RT-Mart Zhonglun Store Refurbishment Project”.	V	—
	8. Discussion on the motion that Company's Zhonglun Branch intends to execute settlement agreement with Ruentex Interior Design Inc. for the “RT-Mart Zhonglun Store Refurbishment Project”.	V	—
	9. Discussion on the motion that the Company intends to develop the urban renewal project with 22 plots of land at No. 140, Subsection 4, Changan Section, Chungshan District, Taipei City.	V	—
	10. Discussion on the Company's Internal Control System Declaration of 2020.	V	—
	Audit Committee resolution: Approved by all Audit Committee members. The Company's measures in response to the opinions of the Audit Committee: The motion was duly resolved in the Board of Directors through the 12 th meeting of Term 16 convened on 2021/3/26.		
3 rd Term 7 th Meeting 2021/4/26	1. Discussion of the proposal for participating in the public tender for the facilitator of the urban regeneration project for the "Land of Specific Commercial Use Zone (X) at Taipower Northern Storage and Transportation Center Nangang Site (AR-1-2)."	V	—
	2. Proposal for the Company to sign a construction contract with Ruen Yang Construction Co., Ltd. for the “Ruentex Development Songjiang Road Demolition Project.”	V	—
	3. Proposal for the Company to apply for a syndicated loan of NT\$6.2 billion from KGI Commercial Bank Ltd. and The Bank of East Asia, Hong Kong Ltd. for its subsidiary, Ruentex Innovative Development Co., Ltd. with the Company being the joint guarantor.	V	—
	Audit Committee resolution: Approved by all Audit Committee members. The Company's measures in response to the opinions of the Audit Committee: The motion was duly resolved in the Board of Directors through the 13 th meeting of Term 16 convened on 2021/4/26.		
3 rd Term	1. Discussion on the Company's internal audit report for the 1 st quarter,	V	—

Audit Committee	Proposal Contents and Handling	An issue as set forth under Article 14~5 of Securities and Exchange Act	Matters not passed by the Audit Committee but approved by over two-thirds of all directors.
8 th Meeting 2021/5/13	2021.		
	2. Discussion on the Company's consolidated financial statements for the 1 st quarter, 2021.	V	—
	Audit Committee resolution: Approved by all Audit Committee members.		
	The Company's measures in response to the opinions of the Audit Committee: The motion was duly resolved in the Board of Directors through the 14 th meeting of Term 16 convened on 2021/5/13.		
3 rd Term 9 th Meeting 2021/7/6	1. The motion that the subscribes to the common shares of Ruen Fu Newlife Corp. in its capital increase through cash injection.	V	—
	2. Motion about that the Company intends to sign undertaking contract with Ruentex Interior Design Inc. on “Ruentex Dingfeng Public Facilities & Landscaping Project” is posed into discussion.	V	—
	3. Motion about the Company's subscription to the common shares of Ruen Cheng Investment Holdings Co., Ltd. amidst its capital increase through cash injection is posed into discussion.	V	—
	4. The motion to amend the Company's “Standard Specifications of the Shareholder Services Department in Internal Control System” is posed into discussion.	V	—
	Audit Committee resolution: Approved by all Audit Committee members.		
	The Company's measures in response to the opinions of the Audit Committee: The motion was duly resolved in the Board of Directors through the 15 th meeting of Term 16 convened on 2021/7/6.		
3 rd Term 10 th Meeting 2021/8/12	1. Discussion on the Company's Internal Audit Report of the 2 nd Quarter, 2021.	V	—
	2. Discussion on the Company's capabilities to work out financial statements by itself.	V	—
	3. Discussion on the motion that the Company intends to change the attesting certified public accountants starting from the financial statements of the 2 nd quarter, 2021.	V	—
	4. Motion to discuss the Company's Consolidated Financial Statements for the first half, 2021	V	—
	5. Discussion on the motion where the Company intends to subscribe to common shares of Ruentex Construction International Co., Ltd. amidst its capital increase through cash injection.	V	—
	6. Discussion on the motion that the Company intends to waive subscription to the capital increase through cash injection by Ruentex Baiyi Co., Ltd..	V	—
	7. “Design for Ruentex Wuguwang Project A for Public Facilities in the Elevator Lobby” and “Design for Ruentex Wuguwang Project B for Public Facilities in the Elevator Lobby”	V	—
	8. Motion that the Company intends to execute undertaking contract with Ruentex Construction International Co., Ltd. to undertake “New Construction Project for Ruentex Innovative Development Co. Ltd. on Songjiang Road” is posed into discussion.	V	—
	Audit Committee resolution: Approved by all Audit Committee members.		
	The Company's measures in response to the opinions of the Audit Committee: The motion was duly resolved		

Audit Committee	Proposal Contents and Handling	An issue as set forth under Article 14~5 of Securities and Exchange Act	Matters not passed by the Audit Committee but approved by over two-thirds of all directors.
	in the Board of Directors through the 16 th meeting of Term 16 convened on 2021/8/12.		
3 rd Term The 11 th meeting 2021/10/22	1. Discussion on the motion that the Company intends to dispose of the common shares of RT-Mart International Logistics Co., Ltd. held by the Company.	V	—
	Audit Committee resolution: Approved by all Audit Committee members.		
	The Company's measures in response to the opinions of the Audit Committee: The motion was duly resolved in the Board of Directors through the 18 th meeting of Term 16 convened on 2021/10/22.		
3 rd Term 12 th Meeting 2021/10/25	1. Motion that the Company intends to execute undertaking contract (s) with Ruentex Interior Design Inc. on the “Ruentex Wenhua Public Facilities & Landscaping Project”, “Ruentex Dingfeng Exterior Wall Large Stone Board Transaction”, “Songtao Court A2-4F Real Building Decoration Project” is posed into discussion.	V	—
	Audit Committee resolution: Approved by all Audit Committee members.		
	The Company's measures in response to the opinions of the Audit Committee: The motion was duly resolved in the Board of Directors through the 19 th meeting of Term 16 convened on 2021/10/25.		
3 rd Term 13 th Meeting 2021/11/12	1. Motion about the Company's subscription to the common shares of Ruentex Interior Design Inc. amidst its capital increase through cash injection is posed for discussion.	V	—
	2. Motion that the Company's disposal of the common shares of Evergreen Steel Co., Ltd. is posed for acknowledgement.	V	—
	3. Discussion on the Company's internal audit report for the 3 rd quarter, 2021.	V	—
	4. Discussion on the report about the Company's capabilities to work out financial statements by its own.	V	—
	5. Discussion on the Company's consolidated financial statements of the 3 rd quarter, 2021.	V	—
	Audit Committee resolution: Approved by all Audit Committee members.		
	The Company's measures in response to the opinions of the Audit Committee: The motion was duly resolved in the Board of Directors through the 20 th meeting of Term 16 convened on 2021/11/12.		
3 rd Term 14 th Board of Directors Meeting 2021/12/28	1. Description on the audit planning of the Company's financial statements of Fiscal 2021.	V	—
	2. Report about the independence status evaluation for the Company's attesting certified public accountants.	V	—
	3. Discussion on remuneration payable to the attesting certified public accountants appointed for Fiscal 2022 and 2023.	V	—
	4. Discussion on the plan of the Company's internal audit for 2022.	V	—
	5. Discussion on the Company's Business Operation Plan for 2022.	V	—
	6. Motion that the Company intends to execute contract (s) with Ruentex Interior Design Inc. for “Transaction on Ruentex Wenhua Exterior Wall Stone Material Boards”. is posed into discussion.	V	—
	7. Motion that the Company intends to sell one housing unit on 11F plus 7 parking spaces of Housing Unit A1 of “Sungtao Court” on Nanhai Section, Zhongzheng District, Taipei City to related party (ies) is posed	V	—

Audit Committee	Proposal Contents and Handling	An issue as set forth under Article 14~5 of Securities and Exchange Act	Matters not passed by the Audit Committee but approved by over two-thirds of all directors.
	to discussion.		
	8. Motion that the Company intends to sell one housing unit on 23F, A6 plus two parking spaces of “Ruentex Daan Fuyang” in Xinhai Section, Da-an District, Taipei City to a related party is posed into discussion.	V	—
	9. Motion that the Company intends to launch concerted construction projects with 8 plots of land in Lot No. 109 Huancui Section, Banqiao District, New Taipei City and a total of 9 plots of land at No. 39, Subsection 2, Jiangzicui Section is posed into discussion.	V	—
	10. Discussion on the proposed amendment to the Company's “Corporate Governance Best-Practice Principles” and “Corporate Social Responsibility Best Practice Principles”,	V	—
	Audit Committee resolution: Approved by all Audit Committee members.		
	The Company's measures in response to the opinions of the Audit Committee: The motion was duly resolved in the Board of Directors through the 21 st meeting of Term 16 convened on 2021/12/28.		
3 rd Term 15 th Board Meeting 2022/1/25	1. Report on the Company's internal audit for the 4 th quarter, 2021	V	—
	2. Discussion on the issue where the Company intends to execute contract (s) with Ruentex Materials Co., Ltd. for transaction of building materials for Ruentex Daan Fuyang.	V	—
	Audit Committee resolution: Approved by all Audit Committee members.		
	The Company's measures in response to the opinions of the Audit Committee: The motion was duly resolved in the Board of Directors through the 22 nd meeting of Term 16 convened on 2022/1/25.		
3 rd Term 16 th Board Meeting 2022/3/15	1. Report on the Company's ability to prepare financial statements on its own	V	—
	2. Discussion on the Company's consolidated financial statements (including individual financial statements) and business report as well as such final account settlement documents for 2021.	V	—
	3. Discussion on remuneration to employees to be amortized by the Company for 2021.	V	—
	4. Discussion where the Company intends to amend the “Procedures for the Acquisition or Disposal of Assets”,	V	—
	5. Motion that the Company intends to execute contract (s) with Ruentex Interior Design Inc. for “Transaction on Ruentex Yangbei Exterior Wall Stone Material Boards: and “Ruentex Funfeng B1-7F Housing Decoration Project” is posed into discussion.	V	—
	6. Motion on the Company's Internal Control System Declaration for 2021.	V	—
	Audit Committee resolution: Approved by all Audit Committee members.		
	The Company's measures in response to The Company's measures in response to the opinions of the Audit Committee: The motion was duly resolved in the Board of Directors through the 23 rd meeting of Term 16 convened on 2022/3/15.		

(2) An issue except those mentioned in the preceding Paragraph that has not been passed in the Audit Committee but has been resolved over two-thirds majority vote of the total directorship seats : Nil

2. A fact of implementation where an independent director avoids from conflict of interests, please expressly state the name of that director, contents of motion, cause for avoidance from conflict of interests and participation in the voting process:: Such fact is nonexistent.
3. The facts about communications by and among the independent directors, the internal audit head and certified public accountants (should include the communications on key issues of financial, business conditions, the method and result). Please refer to the present Annual Report on P. 44.

Note 1: Where an independent director quit the post before the end of a fiscal year, please indicate the date of resignation. The substantial participation rate (%) shall be duly counted based on the total number of meetings convened by the Committee and the number of his or her substantial participations.

Note 2: Where the independent directors had been reelected before the end of a fiscal year, please fill up both the outgoing independent director and the independent director newly elected and please indicate in the box of remarks as an independent director as the former one, newly elected one or reelected on and the date of reelection. The substantial participation rate (%) shall be duly counted based on the total number of meetings convened by the Committee during the term and the number of his or her substantial participations

(3) Status of governance and the deviations and the cause(s) of deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, Governance Best Practice (Governance Best Practice):

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Governance Best Practice
	Yes	No	Summary Description	
I. Has the Company defined and disclosed its governance best practice principles in accordance with the "Governance Best Practice"?	V		The Company had enacted the "Corporate Governance Best-Practice Principles" which were duly resolved by the Board of Directors on 2014/12/29. The "Corporate Governance Best-Practice Principles" were duly amended on 2021/12/28 in compliance with the corporate governance blueprints of the up-to-date version. The relevant contents have been duly amended by the Board of Directors in coordination with the updated Securities and Exchange Act and Company Act to enhance performance in corporate governance with disclosure as necessary through the Company's website.	No significant difference.
II. Structure of Shareholdings and Shareholder's Equity	V		(I) The Company has established the "Internal Material Information Processing SOP" to ensure the accuracy, integrity, and timeliness of disclosure of material information. It has set up an "Interested Party" section on the corporate website distinguishing interested parties into investor, customer and supplier, and including the material subjects the concern as well as emails to handle shareholder suggestions, questions, disputes, and litigation through the spokesperson, deputy spokesperson, stock service unit and email to ensure the rights and benefits of shareholders.	No significant difference.
(I) Does the Company establish and implement internal procedures for handling shareholder suggestions, questions, disputes, and litigation?	V		(II) The Company's stock service unit is responsible for grasping the lists of directors, managers and major shareholders with more than 10% of shareholdings, and the shareholdings thereof, at any time. In addition, the Company discloses the names of shareholders holding 5% or more of the shares in its quarterly financial reports.	No significant difference.
(II) Does the Company keep an up-to-date list of its dominant shareholders and the parties with ultimate control over its dominant shareholders?	V			

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Governance Best Practice
	Yes	No	Summary Description	
(III) Does the Company establish and implement a risk control mechanism and firewall between its affiliates?	V		(III) The financial operations of the Company and affiliates are operated independently. In addition to the "Regulations Governing the Operation of Subsidiaries," the Company has also established a management system for its subsidiaries in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" of the FSC, in order to control risks and establish a firewall mechanism.	No significant difference.
(IV) Does the Company establish internal rules to prevent insider trading using undisclosed information?	V		(IV) We have established the [Internal Material Information Processing SOP], the [Procedures for Ethical Management and Guidelines for Conduct], and the [Code of Employee Conduct] to prevent insiders of this Company from trading securities with undisclosed information, state the handling of violation, and publish related regulations on the corporate website to strictly abide by the Securities and Exchange Act and related laws and regulations.	No significant difference.

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Governance Best Practice																																																																																										
	Yes	No	Summary Description																																																																																											
III. Organization and Functions of the Board of Directors (I) Would the Board of Directors work out diversification <u>policy for its members, set the concrete targets</u> and put the same into hands-on implementation?	V		<p>(I) 1. The Company's Board of Directors has approved the establishment of Chapter 3 “Strengthening the Functions of the Board of Directors” of the “Corporate Governance Best Practice Principles," and has established a policy for diversifying. The nomination and election of Board members are conducted in accordance with the Articles of Incorporation, adopting a candidate nomination system. It is conducted according to the "Rules for Election of Directors" and the “Corporate Governance Best Practice Principles" to ensure the diversity and independence of the board members.</p> <p>The list of the Company's 9 directors for Term 16 includes two female members. Those directors have been specialized in business management, leadership amidst policymaking process, industrial expertise, financial and accounting know-how with thorough implementation of diversification, as enumerated in Table below:</p> <table><tr><th></th><th>Gender</th><th>Concurrentl</th><th>Independent Director</th><th>Operational</th><th>Leadership</th><th>Industry-sp</th><th>Finance and</th><th>Law</th></tr><tr><td>Jean, Tsang-Jiunn</td><td>M</td><td></td><td></td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr><tr><td>Hsu, Sheng-Yu</td><td>M</td><td></td><td></td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr><tr><td>Lee, Chih-Hung</td><td>M</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td><td>V</td><td></td></tr><tr><td>Yin, Chung-Yao</td><td>M</td><td></td><td></td><td>V</td><td>V</td><td></td><td></td><td>V</td></tr><tr><td>Ho, Kai-Lin</td><td>F</td><td></td><td></td><td>V</td><td>V</td><td></td><td></td><td></td></tr><tr><td>Chen, Li-Yu</td><td>F</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr><tr><td>Ko, Shun-Hsiung</td><td>M</td><td></td><td>V</td><td>V</td><td></td><td></td><td>V</td><td></td></tr><tr><td>Chang, Guo-Zhen</td><td>M</td><td></td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr><tr><td>Zhao, Yi-Long</td><td>M</td><td></td><td>V</td><td>V</td><td></td><td>V</td><td></td><td></td></tr></table> <p>2. Here at the Company, the directors holding status as an employ account for 22%; independent directors account for 33%; female directors account for 22%. All three independent directors have served their tenure of office less than nine years.</p>		Gender	Concurrentl	Independent Director	Operational	Leadership	Industry-sp	Finance and	Law	Jean, Tsang-Jiunn	M			V	V	V			Hsu, Sheng-Yu	M			V	V	V			Lee, Chih-Hung	M	V		V	V	V	V		Yin, Chung-Yao	M			V	V			V	Ho, Kai-Lin	F			V	V				Chen, Li-Yu	F	V		V	V	V			Ko, Shun-Hsiung	M		V	V			V		Chang, Guo-Zhen	M		V	V	V	V			Zhao, Yi-Long	M		V	V		V			No significant difference.
	Gender	Concurrentl	Independent Director	Operational	Leadership	Industry-sp	Finance and	Law																																																																																						
Jean, Tsang-Jiunn	M			V	V	V																																																																																								
Hsu, Sheng-Yu	M			V	V	V																																																																																								
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Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Governance Best Practice
	Yes	No	Summary Description	
(II) In addition to a Remuneration Committee and an Audit Committee established by law, does the Company voluntarily establish other functional committees?	V		(II) The Company has set up a Remuneration Committee and an Audit Committee by law. It will set up other functional committees according to the laws and regulations and the needs of the Company in a timely manner.	No significant difference.
(III) Has the Company enacted regulations to evaluate the Board of Directors' performance and other assessment methods to carry out performance evaluation periodically every year and report the performance evaluation result to the Board of Directors to be utilized as the handy reference to determine the remunerations for individual directors and for the nomination process?	V		(III) The Company enacted "Regulations Governing Performance Evaluation for the Board of Directors" on December 28, 2016 and updated and disclosed the same through the Company's website in real time. Under the Regulations, the Board of Directors shall, on an annual basis, carry out internal performance evaluation based on the procedures and targets set forth under the said Regulations. The evaluation result shall be completed before the end of the 1 st quarter of the ensuing year. The Company carried out Board of Directors performance evaluation operation at late 2021. The results indicate the performance well up to the specified criteria. The evaluation result was reported to the Board of Directors on January 25, 2022. The results of the above-mentioned performance evaluation will be used as a reference for the performance and reappointment of individual directors, and the results of the overall Board performance evaluation will be disclosed on the Company's website.	No significant difference.

Assessment Item	Status of Operation				Deviations and the Cause(s) of Deviations From the Governance Best Practice		
	Yes	No	Summary Description				
(IV) Does the Company regularly evaluate the independence of certified public accountants?	V		(IV) Periodically on an annual basis as minimum, the Company evaluates the attesting certified public accountants about their attribute of independence. Through the shareholder service department, the Company checks and makes sure that no certified public accountant has held the Company's share certificates nor served with the Company as a ranking department head. On the commissioned duties and an issue involving interests, such certified public accountants have duly avoided and further issued declaration on independence status. The evaluation results indicate that interested involvement relationship either directly or indirectly is virtually nonexistent with the Company. A problem in the attribute of independence is, in turn, nonexistent as well (Cf. Note 1 for more details). The results of evaluation conducted in the two most recent years were already submitted to the Board of Directors on December 23, 2020 and December 28, 2021 respectively.		No significant difference.		
			Note 1: Criteria to evaluate the certified public accountants in attribute of independence.				
			Item	Assessment Contents		Assessment Results	Compliance with Independence?
			1	Neither the CPAs nor the Audit Team members hold the stock of this Company or its subsidiaries.		Yes	Yes
			2	Neither the CPAs nor the Audit Team members are a director, supervisor, or officer of this Company.		Yes	Yes
			3	There is no cooperation between the CPA firm and this Company.		Yes	Yes
			4	There is no litigation between the CPA firm and this Company.		Yes	Yes
			5	No report of non-replacement of CPAs for seven consecutive years or discipline of CPAs or damage of independence.		Yes	Yes
			Period covered within the evaluation: 2021.01.01~2021.12.31				
			Assessment Results: CPAs are independent.				

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Governance Best Practice
	Yes	No	Summary Description	
IV. Has an exchange-listed or OTC-listed company provided corporate governance personnel competent enough and in an appropriate number and has such company pointed the corporate governance head to assume the responsibility on corporate governance related duties (including but not limited to provision of the information and data required for performance of duty by the directors, assisting the directors in law compliance to take charge of business issues for the Board of Directors and shareholders' meeting, production of minutes of the Board of Directors meeting and shareholders' meeting and the like)?	V		The Accounting Department and stock service unit of the Company take charge of governance affairs concurrently, and Chief Accounting Office Lin, Chin-Szu were appointed as the concurrent chief governance officer in the Board meeting held in June 2019. Vice President Lin has more than ten years of experience in financial management and accounting management for public companies. Their responsibilities include provision of data in relation to business implementation for directors and independent directors, compliance assistance for directors and independent directors, arrangement of the Board of Directors' meetings and meetings of shareholders by law, and supervise the implementation and review its effectiveness; please refer to Note 1 for the current year's business performance of the chief corporate governance officer.	No significant difference.
V. Does the Company establish channels for communication with interested parties (including, without limitation, shareholders, employees, customers, and suppliers), set up a interested party section on the corporate website, and respond appropriately to material CSR issues that concern shareholders?	V		The Company set up an "Interested Party Section" in the corporate website: It includes Corporate Governance, Financial Information, Shareholders Section, Material Information, Contact Window, etc. The Company actively establishes communication channels with interested parties and discloses the important issues of concern, communication channels and responding method on the corporate website. Interested parties can express their opinions through channels including the spokesperson, email on the corporate website, etc. All channels are unfettered. We also properly address topics that interest or concern interested parties.	No significant difference.
VI. Does the Company appoint a professional stock affairs agent to handle shareholder affairs?		V	Although we do not appoint a professional stock affairs agent, our stock service unit handles stockholder affairs with respect to the "Regulations for Stock Service Management" and the "Internal Control Standards for the Stock Service Unit."	Implemented with respect to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."
VII. Information Disclosure (I) Does the Company set up a website to disclose its financial and governance information?	V		(I) We have disclosed the following information on the corporate website: corporate history, construction projects, organization structure and management team (including a profile of team members), financial statements and data, information and data (including meeting notice, meeting handbook, annual report, and minutes) relating to the meeting of shareholders, articles of incorporation, best practice principles for ethical corporate governance, CSR section, and business related information.	No significant difference.
(II) Does the Company try other means to disclose information (such as setting up an English website, designating personnel to gather and disclose	V		(II) We have appointed a spokesperson and deputy spokesperson and assigned staff to gather and disclose information based on their functions and duties. We have also established the	No significant difference.

Assessment Item	Status of Operation		Deviations and the Cause(s) of Deviations From the Governance Best Practice
	Yes	No	
organizational information, effectively implementing the spokesperson system, and posting investor conferences on the corporate website)?			
(III) Does the company announce and report its financial statements within two months after the end of a fiscal year, and publish and declare in advance the financial statements of Q1, Q2, and Q3 and status of monthly operations?	V	(III) We complete reporting the quarterly and annual financial statements by the time-limit. However, we are still unable to advance the announcement and reporting of the annual financial statements within two months after the end of a fiscal year. In addition, we complete reporting the monthly business report by the time-limit.	We complete reporting the quarterly and annual financial statements by the time-limit. However, we are still unable to advance the announcement and reporting of the annual financial statements within two months after the end of a fiscal year.
VIII. Does the Company have any other significant information conducive to look into the Company's performance in corporate governance (including but not limited to employees' interests, warm care toward employees, relationship with investors relationship with suppliers, interests of stakeholders, continuing education by directors, risk management policies, enforcement of risk measurement, enforcement of customer policies and liability insurance policies purchased by the Company for directors and the like)	V	Please refer to note 2 for other material information that helps understand the Company's governance practices.	No significant difference.
IX. Please specify the status of improvement and the prioritized improvements with reference to the Corporate Governance Evaluation results announced by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the previous year:			
1. Based on the “Corporate Governance Evaluation Indicators” published in the previous year, we assessed the governance compliance. We future disclosed the focus of corrections for future improvements.			
2. Unimproved Items and Measures Requiring Priority Actions:			
Evaluation Item		The status of improvement and the prioritized improvements	
Whether the company has established an English company website, including financial business and corporate governance related information.		The company's English company website is currently under construction.	

Assessment Item	Status of Operation		Deviations and the Cause(s) of Deviations From the Governance Best Practice
	Yes	No	
	Summary Description		
Note 1: Business performance and continuous education of the chief corporate governance officer for the current year:			
1. Assistance for independent directors and directors in carrying out their duties, provision of the required data, and arrangement of further education for directors:			
(1) Assist the board members in understanding the latest amendments and development of laws and regulations relating to corporate governance.			
(2) Arrange for independent directors to meet the audit department head and attesting certified public accountants face-to-face to look into the Company's accounting and internal control system amidst close communications. Please refer to p. 44 - 45 of the annual report.			
(3) Assist the directors in arranging annual continuing education programs and arranging the curricula based on their individual backgrounds in academic credentials and hands-on career experiences; the performance in continuing education for directors. Please refer to p.43 - 44 of the annual report.			
2. Assistance in handling the agenda and resolutions of board meetings and meetings of shareholders.			
3. Establishment of the board meeting agenda and notification of directors seven days in advance; convening the meetings and provision of related meeting data; reminding the avoidance of conflicts of interest in related proposals; and production of the minutes within 20 days after a board meeting.			
4. Registration of the meeting of shareholders before the meeting date by law; production of the meeting notice, meeting handbook, and meeting minutes within the statutory time limit; and registration for a change after the amendment of the articles of incorporation or board election.			
5. Organize at least one investor conference every year to build good investor relations, so that investors can obtain sufficient information to evaluate the Company's reasonable market value, so as to protect shareholders' rights and benefits. The investor conference for 2021 was organized by participating the “2021 Housing Market Trends Online Seminar” held by KGI Securities on 2021/10/21, to illustrate the result of business performance in the most recent term and future prospects of the Company. The relevant information has been uploaded toward the Market Observation Post System (MOPS) and the Company's website.			
6. As of year 2021, the chief corporate governance officer has participated in the training courses “Practical Workshop for Directors and Supervisors (Independent) and Corporate Governance Supervisors” on 2021/9/28 to 2021/9/29, respectively. The total number of training hours is 12 hours.			
Note 2:			
1. Employee rights and benefits: We handle the appointment, dismissal, transfer, profit sharing from earnings, reward, punishment, training, and education of employees with respect to the Labor and Standards Act and related provisions of our internal management and control systems to protect the rights and benefits of employees. We have established an employee welfare committee (EWC) and contribute EWC funds by law. Employees enjoy group insurance and allowances for various benefits. We have also established a training/education system and retirement system to maintain the rights and benefits of employees.			
2. Employee care: We value employee benefits and talent cultivation and abide by labor laws and regulations to project the basic rights of employees.			
(1) Employee benefits			
[Health Checkup]			
We value the physical health of employees. Therefore, we arrange periodic health checkups for employees better than the regulatory requirements. All permanent employees (director labor) regardless of age receive two health checkups every year. In addition to the results and recommendations of the current checkup, traces of individual indicators in previous checkups are presented in curves for employees to understand the health status at present and the health trend in the last five checkups. By doing so, we aim to facilitate early detection of health anomalies for early intervention, including lifestyle adjustments and treatments. In addition, apart from funding the general checkup items, we arrange self-financed further checkup items and discounts for dependent checkup to provide employees with more options and take care of their family at the same time. To encourage higher-level employees to pay attention to physical health, we arrange personalized advanced checkups for managers and above aged 40 and older. Apart from the advanced checkup, VPs and higher officers can participate in the annual member healthcare service. Currently, we fund 75% of the fee for advanced checkups and healthcare service.			
[Group Insurance]			
To maximize our care for employees and the financial support for employees after an accident, apart from the mandatory Labor Insurance and National Health Insurance, we proactively arrange the group life insurance for all permanent employees after their arrivals. We also provide the group medical plan for the spouse and children of employees. Besides funding the full amount of the group insurance premium, we offer discounts for self-financed insurance for permanent employees and their spouse, children, and parents to provide more options and protection for the family of employees after an accident.			

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Governance Best Practice
	Yes	No	Summary Description	
<p>[Daily Life Talks]</p> <p>From time to time we invite medical, insurance, and financial professionals to give talks on popular topics and topics that interest employees. These talks for voluntary participation are organized to provide employees with more channels for direct exchange with experts to learn new knowledge and correct concepts in health care, accident prevention and handling, and financial management.</p> <p>[Other Benefits]</p> <p>We have established an employee (staff) welfare committee and a labor union and provide employees with allowances for marriage, birth, funerals, hospitalization, injuries, and disabilities. We also distribute vouchers to employees on Spring Festival, Labor Day, Dragon Festival, Mid-Autumn Festival, and birthday; and fund employee travels and departmental reunions and recreational activities. In addition, all employees can enjoy a staff discount when shopping at the CITILINK malls and TSUTAYA BOOKSTORE run by this Company.</p> <p>We value the interaction among employees, their family, and the Company. Through mutual understanding, we hope to let their family understand more about the Company and thereby support employees to work and develop at the Company. Thus, we continuously conduct the new employee travel scheme and Family Day. (2) Training and Education for Employees</p> <p>Every year we plan a training budget for employees to improve their professional skills, leadership, and career development. We also encourage them to actively improve their knowledge, participate in external training courses, and actively participate in further education.</p> <p>(3) Retirement system</p> <p>A monthly pension reserve is contributed according to the Labor Standards Law, and employees are free to choose to retire according to the Labor Pension Regulations (new system). The monthly pension is contributed to the labor pension personal account set up by the Labor Insurance Bureau.</p> <p>3. Investor relations</p> <p>(1) Enhance operational transparency and ensure the accuracy, integrity, and timeliness of information disclosures.</p> <p>(2) Value corporate governance and establish and disclose principles relating to the best practice of corporate governance.</p> <p>(3) Establish the spokesperson system to specialize in handling shareholder recommendations and protect shareholder equality.</p> <p>(4) Adopt electronic voting at the meeting of shareholders to enforce shareholder mobility and make voting more convenient.</p> <p>4. Supplier relations: Constantly maintain sound relations with suppliers, communicate with and encourage suppliers to improve quality, cost efficiency, and HSE, and pursue high performance with suppliers together through management audits, experience sharing, and partnership optimization,</p> <p>5. Interested parties’ rights: (1) Respect intellectual property rights, (2) value customer relationships, and (3) ensure legal compliance.</p> <p>6. Continuous education of directors: The continuous education courses for directors, Please refer to p. 43-44 of the annual report for the status of directors’ continuous educations.</p> <p>7. Risk management policy and risk measurement standards: Establish various internal regulations by law to assess and manage various risks.</p> <p>8. Customer policy: We maintain long-term sound customer relations to provide customers, aiming to provide them with prompt and quality services.</p> <p>9. The liability insurance policy(ies) purchased by the Company for directors: The Company has purchased liability insurance policy(ies) for directors and key staff members from Taiwan Fire & Marine Insurance Co., Ltd. to cover the insured period starting from 12:00 February 1, 2022 until 12:00 February 1, 2023. The contents covered under the insurance policy(ies) include the liabilities of directors and key staff members, the Company's liabilities for compensation and the liabilities for compensation for negotiable securities, liabilities for compensation in the employment behaviors, in the insurance amount of US\$1 million.</p>				

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

The Board of Director of the Company has resolved to establish a Remuneration Committee on December 19, 2011, which meets at least twice a year, and formulated the “Remuneration Committee Charter”; The responsibilities of the Committee include establishing and periodically reviewing the annual and long-term performance goals for the directors, and managerial officers of the Company and the policies, systems, standards, and structure for their remuneration; periodically assessing the degree to which performance goals for the directors, and managerial officers of the Company have been achieved; the information of the Committee members and its operations are as follows:

(1) Data of Remuneration Committee Members

Identity Category (Note 1)	Requirements Name	Professional qualification requirements and experiences (Note 2)	Conforming with the required in independence attribute (Note 3)	Concurrently an Independent Director for Other Public Companies
Independent Director (Convener)	Ko, Shun-Hsiung	The convener of the Remuneration Committee and convener of Audit Committee are currently the certified public accountant(s) of Chien Da Associated CPA Office having been in the hands-on CPA practice for more than twenty years, with a professional background and expertise in finance and accounting. Please refer to p. 20	<p>(1) The principal person, his or her spouse, blood relative within the second degree of kinship have not served as the director and supervisor or employee in the Company or an affiliated enterprise thereof.</p> <p>(2) The number of shares held by the principal person, his or her spouse, blood relative within the second degree of kinship (or in the name of another): 0</p> <p>(3) Having not served with the Company or a company with specific relationship with the Company as director and supervisor or employee.</p> <p>(4) The amount of remuneration received by the Company or its affiliated enterprises for commercial, legal, financial, accounting services rendered within the most recent two years: 0</p>	3
Independent Director	Chang, Guo-Zhen	A Committee member of Remuneration Committee, Audit Committee, currently serving as a Professor of Department of Civil Engineering, National Taiwan University, in the teaching career for more than 25 years, with architecture and engineering related professional backgrounds. Please refer to p. 20	<p>(1) The principal person, his or her spouse, blood relative within the second degree of kinship have not served as the director and supervisor or employee in the Company or an affiliated enterprise thereof.</p> <p>(2) The number of shares held by the principal person, his or her spouse, blood relative within the second degree of kinship (or in the name of another): 0</p> <p>(3) Having not served with the Company or a company with specific relationship with the Company as director and supervisor or employee.</p> <p>(4) The amount of remuneration received by the Company or its affiliated enterprises for commercial, legal, financial, accounting services rendered within the most recent two years: 0</p>	1

Independent Director	Zhao, Yi-Long	A Committee member of Remuneration Committee, Audit Committee, currently serving as a full-time professor of Department of International Business Administration, National Taiwan University, in the teaching career for more than 25 years, with professional backgrounds in business administration and marketing. Please refer to p. 20	<p>(1) The principal person, his or her spouse, blood relative within the second degree of kinship have not served as the director and supervisor or employee in the Company or an affiliated enterprise thereof.</p> <p>(2) The number of shares held by the principal person, his or her spouse, blood relative within the second degree of kinship (or in the name of another): 0</p> <p>(3) Having not served with the Company or a company with specific relationship with the Company as director and supervisor or employee.</p> <p>(4) The amount of remuneration received by the Company or its affiliated enterprises for commercial, legal, financial, accounting services rendered within the most recent two years: 0</p>	1
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Note 1: Please enumerate in the Table the service seniority at the relevant works, professional qualifications, hands-on experiences and independence attribute of all members in the Remuneration Committee. In case of an independent director, please just remark please refer to the relevant contents of the database of the directors and supervisors in Table I appearing on Page __, Identity capacity: Please indicate as an independent director or elsewhere (In case of the convener, please remark as well).

Note 2: Professional qualifications and experiences: Elaborate on the professional qualifications and hands-on experiences held by the individual members of the Remuneration Committee.

Note 3: Fact about consistency in independence: Please elaborate on conformity with independence attribute of all members in the Remuneration Committee, including but not limited to the members themselves, their spouses, blood relatives within the second degree of kinship regarding whether they serve with the Company or an affiliated enterprise thereof as director and supervisor or employee; the number and percentage of the Company's shares held by the members themselves, their spouses, blood relatives within the second degree of kinship; whether they serve with the Company or a company in specific relationship (Please refer to provisions set forth under Subparagraphs 5~8, Paragraph 1, Article 6 of Regulations Governing Listed Public Companies or Companies Trading at Securities Dealers' Business Premises on Establishment of Remuneration Committee and Exercise of Their Powers"; the amounts of remunerations obtained in the most recent two years for commercial, legal, financial and accounting services provided to the Company or its affiliated enterprise(s).

Note 4: Regarding method of disclosure, please refer to the benchmark example on the best practice of the Corporate Governance Center, Taiwan Stock Exchange Corporation

2. Operation of Remuneration Committee

(1) The Remuneration Committee consists of three members

(2) Tenure of office for Committee members in the present term: Starting from June 22, 2020 until June 8, 2023. In the most recent year (2021), the Remuneration Committee convened a total of two meetings (A). Facts of the qualifications and participation status of the members are as enumerated below:

Title	Name	Participation in person Number of time(s)(B)	Participation through a proxy Number of time(s)	Actual Attendance Rate (%) (B/A)	Remark
Convener	Ko, Shun-Hsiung	2	0	100	
Committee Member	Chang, Guo-Zhen	2	0	100	
Committee Member	Zhao, Yi-Long	2	0	100	

Other Information Required for Disclosure:

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

Remuneration Committee	Proposal Contents and Handling	Resolution	Decision of the Board of Directors in response to the opinions from the Remuneration Committee
The 2 nd meeting of Term IV (The 1 st meeting of 2021) 2021/2/4	<ol style="list-style-type: none"> 1. Report on the result of performance evaluation for personnel above the assistant presidents (inclusive) in the 2nd half of 2020. 2. Incentives paid for business performance and land development to personnel above the assistant presidents (inclusive) in the 2nd half of 2020. 3. Acknowledgement of reassignment in personnel above the assistant presidents (inclusive) in the 2nd half of 2020. 4. Discussion on the result of the Company's performance evaluation in Fiscal 2020 5. Discussion on the percentage of remuneration to employees of the Company in Fiscal 2020 6. Discussion on the payment limit of year-end bonus of the Company in Fiscal 2020 7. Discussion on final approval of the year-end bonus to the managerial officers of the Company in Fiscal 2020 8. Discussion on final approval of the year-end bonus to the Chairman of the Company in Fiscal 2020 	Unanimous consent of all committee members.	Unanimous approval of all directors attending the board meeting.
The 3 rd meeting of Term IV (The 2 nd meeting of 2021) 2021/8/12	<ol style="list-style-type: none"> 1. Report on the result of performance evaluation for managerial officers in the 1st half of 2021. 2. Report of the remuneration paid to managerial officers in 2020 in comparison with firms and companies in the same industry. 3. Acknowledgement of the incentives paid to managerial officers (and above) in the 1st half, Fiscal 2021 for business performance and land development. 4. Acknowledgement of the reassignment of managerial officers in the 1st half, Fiscal 2021 	Unanimous consent of all committee members.	Unanimous approval of all directors attending the board meeting.

II. Where the Board of Directors does not adopt or amend the suggestion from the Remuneration Committee, please elaborate on the date, term, contents of motions and result of resolution for the Board of Directors meeting convened and the measures taken by the Company in response to the opinions of the Remuneration Committee (e.g., in the event that the remuneration resolved by the Board of Directors is higher than that suggested by the Remuneration Committee, please elaborate on the fact and reason of the differential gap): Such fact is nonexistent..

III. Decisions resolved by the Remuneration Committee: Where a Committee member objects or voices a qualified opinion as backed up in writing or with a record, please elaborate on the date, term, contents of motions, opinions of all members and acts taken in response to such members: Such fact is nonexistent.

(V) The performance of promotion of sustainable development, any deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation.

Item	Status of Operation (Note 1)			The deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for any such deviation.
	Yes	No	Summary Description	
I. Has the Company set up a governance structure for sustainable development and further set up a full-time (part-time) unit to carry out sustainable development as managed by the ranking management authorized by the Board of Directors and the fact about the supervision by the Board of Directors?	V		I. The Company set up Corporate Social Responsibility Committee in 2015 (which was renamed into Sustainable Development Committee in 2021) where the President serves as the convener to assume the responsibility for sustainable development related policymaking process and planning, enactment, supervision and assessment of the performance. The Committee will report to the Board of Directors in the future. Risk management strategies established to address ESG issues.	Not a significant difference

Item	Status of Operation (Note 1)			The deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for any such deviation.
	Yes	No	Summary Description	
II. Has the Company, pursuant to the principle of materiality, carried out risk management toward environmental, social and corporate governance related risk assessment and further set up relevant risk management policies or strategies? (Note 2)	V		<p>II. The Company's management, on a regular basis, carries out assessment and examination on the risk related issues and reports to the Board of Directors after compiling the major risk related issues with the President.</p> <p>1.Environmental: This Company and subsidiaries establish the "carbon conservation and carbon reduction measures," "GHG reduction measures," and "water conservation measures" according to the needs of business venues:</p> <p>(1) Each office implements carbon conservation and carbon reduction measures, including using compostable toilet paper (waste reduction) and waste sorting; reducing CO₂ emissions from refuse incineration, turning off lights after use, setting air-con temperature to 25°C or above in summer, and building energy-efficient facilities, in order to reduce GHG reduction and environmental impacts in real action.</p> <p>(2) Subsidiary (Yilan Cement Plant) Our Yilann Cement Plant proactively and unceasingly strives towards our target of "boosting energy efficiency by enhancing energy efficiency up to more than 2% in each and every year in the eight upcoming years"; "developing clean energy: Minimizing carbon dioxide emissions amidst the nationwide efforts by returning the emission volume back to the 2000 level by the year of 2025" as promulgated by the Bureau of Energy, Ministry of Economic Affairs. Over two preceding years, the carbon dioxide emissions came to 644,135 metric tons and 596,568 metric tons respectively; and the reused waste came to 52,969 tons and 53,258 tons respectively and water consumption volume came to 640,108 cubic meters and 581,735 cubic meters respectively.</p> <p>The Company's greenhouse gas reduction measures: In such aspects, e.g., the new suspension preheating system optimization project, the raw material storage mixing system to change into the external circulation and the #2FAN to high efficiency and frequency conversion adjustment and the like. Thanks to such efforts, the total greenhouse gas emissions in the past two years, the Company has successfully reduced from 644,135 metric tons of carbon dioxide to 596,568 metric tons of carbon dioxide, a reduction rate up to 7.38%.</p> <p>Water conservation measures: Effluents were reclaimed for spraying fugitive dust and raw materials for air pollution control to effectively recycle water and constantly enhance water cycling.</p>	Not a significant difference

Item	Status of Operation (Note 1)			The deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for any such deviation.
	Yes	No	Summary Description	
			<p>2. Social: After assessing “product quality and competitiveness,” we established the strategy for active talent recruitment and enhancement on technical competence training.</p> <p>3. Governance: Implement the internal control system to ensure all employees comply with related laws and regulations.</p>	
<p>III. Environmental issues</p> <p>(I) Has the Company set up appropriate environmental management experiment based on its industrial characteristics?</p>	V		<p>(I) The Company’s quality policy and environmental policy are as follows:</p> <p>(1) Thorough implementation of ISO9001 (Date of certification November 11, 1998, remaining valid until August 9, 2024/14001 (Date of certification March 2, 2000, remaining valid until July 11, 2024) management system.</p> <p>(2) Set and achieve quality and environmental objects and make continual improvement.</p> <p>(3) All engineering activities, products, and services shall comply with applicable laws and regulations, ISO management systems, and other requirements.</p> <p>(4) Ensure continual improvement and pollution prevention in the development and construction processes to minimize impacts on the environment.</p> <p>(5) Continuously review the environmental aspects of green buildings in planning and design to reduce impacts on the environment.</p> <p>(6) Continue to implement energy management and effective resources recycling.</p> <p>(7) Educate and improve the quality, environmental awareness, and competencies of all employees.</p>	Not a significant difference
<p>(II) Has the Company omitted itself to upgrading Energy utilization efficiency by adopting recycled materials with low impact upon the environment?</p>	V		<p>(II) We acquired EMS certification from SGS in 1999 and pass its audit every year to ensure compliance with the international standards. Here at the Company, we faithfully classify garbage classification and outsource qualified service providers on waste removal and transportation into recycling of the waste. We try to minimize the repeated purchase of materials by means of sound management of material allocation. Thanks to such effort, we remarkably boost the efficiency of reuse of various resources. In turn, we virtually avoid waste of resources and minimize the impact upon environment.</p>	Not a significant difference

Item	Status of Operation (Note 1)			The deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for any such deviation.
	Yes	No	Summary Description	
(III) Has the Company evaluated the climate change and the risks and opportunities resulting therefrom at present and in the future and, in turn, adopted relevant countermeasures?	V		(III) In assessing the present and future potential risk on business operations of climate change, as we are not in a high energy-consuming industry, we do not use facilities that generate a large amount of GHGs. Toward the office and living environments, we faithfully implement energy-saving measures exactly as required by the competent authority of the government. We duly enact the strategies and countermeasures toward “energy saving & carbon reduction” and “greenhouse gas energy minimization measures” as well as “water-conservation measures” (Please refer to p. 65-66). We promote and carry out such sound habits e.g., turning off the lights whenever possible, garbage classification. We replace office lighting into T5 energy-saving lamps and faithfully adopt summer-oriented air conditioning temperature control and the like. As a natural result, we minimize the impact upon the Company's operations toward the natural environment.	Not a significant difference
(IV) Has the Company carried out statistics toward greenhouse gas emissions, water consumption and the aggregate total waste weight in the past two years and, in turn, established such policies for greenhouse gas reduction, water consumption reduction or other waste management oriented policies?	V		(IV) We make continuous efforts to achieve the goals in the Framework of Taiwan's Sustainable Energy Policy promulgated by the Bureau of Energy, Ministry of Economic Affairs: enhance energy efficiency and develop clean energy to transform into a social group of low-carbon economy and environmentally sustainable development. We have equipped all projects completed in 2019 with the stormwater (rainwater) harvest system to harvest water for irrigating landscaping plants, in order to contribute to water conservation. (Notably for example: (1) Rainwater recovery pond storage capacity in Lot Yu-Cheng 528.29 ton (ESG report), (2) Our offices have been replaced into LED solution programs wherewith we estimate to successfully save about up to 58% of electricity after the replacement efforts, increasing the illumination power by about 3% to 11%). As of December 2021, we had replaced up to approximately 88% of the total lamps. For Zhonglun Building, for another example, the electricity carbon emissions (tons CO2e) iwere 134.1 (tons CO2e) in 2021 while 140.51 (tons CO2e) in 2020.	Not a significant difference

Item	Status of Operation (Note 1)			The deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for any such deviation.
	Yes	No	Summary Description	
IV. Social issues				
(I) Does the Company establish management policies and procedures in accordance with relevant laws and International Bill of Human Rights?	V		(1) We abide by related labor laws and regulations and respect labor human rights. We protect the rights and interests of employees and establish employment policies by law to ensure fair treatment of all employees. We assign a dedicated department to plan and manage related activities to protect the basic rights and interests of employees.	Not a significant difference
(II) Has the Company enacted and enforced rational employee welfare measures (including, e.g., remuneration, vacation leave and other welfares(and put the business performance results into appropriately reflection toward employees in their benefits?	V		(II) Here at the Company, we faithfully adhere to the concept to have the Company's profits equally shared by the entire staff and shareholders. We try by all available means to attract, retain, cultivate and motivate outstanding talents from all available aspects by means of sound welfare measures and implementation of sound retirement systems.Pleasr refer to p.60.We set up rational and sound remuneration policy to faithfully reflect the Company's business performance result into employees in terms of their remuneration so as to achieve the personal goals of entire staff . Pleasr refer to p.32.	Not a significant difference
(III) Does the Company provide employees with a safe and healthy work environment and arrange regular safety and health education for employees?	V		(III) The Company spares no effort to provide maximum possible benefits toward the safety & security and health for entire staff, with relevant measures as notably enumerated below (1) Our entire office environments are strictly inspected, cleaned and disinfected on a regular basis. Our office buildings are, as well, managed through outsourced professional maintenance and management service providers. In each and every year, Ruentex Apartment Building the Management & Maintenance (Unit) Company sponsors and carries out fire safety seminars as well as healthy life consultation seminars while Shu-Tien Clinic would sponsor safety and health education programs for the entire staff. (2) We provide health check-ups for entire staff twice per annum on a regular basis. The ranking management heads are further provided with high-level health examination on an annual basis.	Not a significant difference

Item	Status of Operation (Note 1)			The deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for any such deviation.
	Yes	No	Summary Description	
(IV) Does Company establish effective career development and training plans for employees?	V		(IV) Every year we plan a budget for the regular and irregular in-service education to ensure the Company's CSR compliance, enhance the employee's professional skills, leadership competence, and career development. To encourage employees to receive further education without effective corporate business and to develop quality management and professional talents, we provide diverse channels for further education and promote employees to exchange management and professional experience with other enterprises. In addition, we encourage employees to enrich themselves, participate in external further education courses, and provide rewards for certificates and licenses to incentivize employees to actively engage in further education.	Not a significant difference
(V) Toward such issues in products and services focusing on customer health and safety, customer privacy, marketing and labeling has the Company complied with laws and ordinances concerned and rules prevalent in the international community and enacted relevant protective grievance procedures to firmly safeguard consumers or customers ? for their interests through sound policies?	V		(V) Company compliance related rules and regulations and international guidelines In the regard of the effort to safeguard the working environment, our Subsidiary Ruentex Engineering & Construction Co., Ltd. has been officially accredited into ISO9001 quality management system, CNS45001 and ISO45001 occupational safety and health management system certification as well as a good number of occupational safety and health environment specifications to satisfy the specified standards. Our design of building foundation structure, seismic design and the design and implementation of sewage treatment facilities in buildings and constructions prove satisfactory to relevant laws and regulations. On all the Company's construction cases, the quality is handled exactly according to the relevant laws and regulations previously domestically and in the international community. Besides, the Company further inspects the products and services and assures effective customer grievance process through sound procedures (0800 Customer Service System).	Not a significant difference

Item	Status of Operation (Note 1)			The deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for any such deviation.
	Yes	No	Summary Description	
(VI) Has the Company sets up supplier managerial policies to demand that all suppliers exactly comply with health or labor-based human rights related specifications and the fact about the implementation.	V		(VI) We have defined “supplier evaluation management” in the internal control system to evaluate major suppliers every year. We also request suppliers to implement CSR. The Company's subsidiaries require all suppliers to comply with the terms and conditions set forth under the “Regulations Governing Contractors on Safety & Health at Project Sites” which are covered within all contract terms. The subsidiaries further put the General Provisions on “Project Site Safety & Health” into the company websites readily available for download, expressly stressing that whenever a contractor (supplier) fails to comply with the safety & health terms or pollutes environment, the penalty fine shall be imposed to be deducted from the administrative price estimation payment (with double penalty fine in case of a serious violation). Through such efforts, both the Company and suppliers shall jointly comply with environmental protection and safety & health related specifications with wholehearted endeavors toward public safety & security, environmental health to fulfill the corporate social responsibility (CSR).	Not a significant difference
V. Has the Company referred to the International Financial Reporting Standards (IFRS) or the guidelines thereof to work out sustainable reports, and the like to disclose the non-financial information statements; and whether the aforementioned statements have been attested by a third party attesting unit with opinions for confirmation or guarantee?	V		V.The Company has duly worked out the aforementioned reports in accordance with the International Financial Reporting Standards (IFRS)_the Sustainable Report with the Sustainable Report Guidelines (known as GRI standards, GRI). The Company requested PricewaterhouseCoopers Taiwan for official attestation. The Report has been promulgated through the Company's website and Market Observation Post System (MOPS). The Sustainable Report for 2021, by the time when completed, shall be attested by PricewaterhouseCoopers Taiwan and shall be promulgated into the Company's website.	Not a significant difference
VI.Where the Company has worked out its own Sustainable Development Code of Practice in accordance with the Corporate Social Responsibility Best-Practice Principles for TSEC/GTSM Listed Companies”, please expressly elaborate on the difference between substantial operation and the requirements under the Code: The Company has enacted the [Sustainable Development Code of Practice] and has faithfully carried out exactly in accordance with the connotation and relevant provisions of the Code of Practice. Given the trends prevalent at home and abroad regarding sustainable development, the Company has carried out a variety of sustainable development related programs and the hands-on practice proves free of any difference from the requirements of the Code.				
VII. Other key information regarding implementation of implementation of sustainable development: Other than the principal business lines with wholehearted efforts, the Company has engaged in: <ol style="list-style-type: none"> 1. Environmental protection: The operation of existing pollution prevention equipment complies with the inspection standards of environmental protection authorities. 2. Social: Apart from focusing on business development, we spare no effort in implementing CSR such as consumer rights and social welfare and contribute to society in a timely manner. 3. Investor Relations and Interested Parties: We set up a spokesperson hotline and an investor relations section on the corporate website. 4. Supplier Relations: We maintain sound communication channels with suppliers. 				

Item	Status of Operation (Note 1)			The deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reason for any such deviation.
	Yes	No	Summary Description	
Note 1: If “yes” is selected for the performance, please state the important policies, strategies, and measures adopted and their effectiveness. If “no” is selected, please explain the reasons and state the future plans to adopt related policies, strategies, and measures.				
Note 2 :The term of principle of materiality refers to those with a significant impact upon the environmental protection, society and corporate governance, also with significant impact upon the Company's investors and other stakeholders.				
Note 3: In terms of method of disclosure, please refer to the website of Corporate Governance Center of Taiwan Stock Exchange Corporation as the best prototype for reference.				

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

Assessment Item	Performance in implementation (Note)			Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
I. Establishing Ethical Corporate Management Policies and Programs				
(I) Does the company establish policies for ethical corporate management approved by the Board of Directors and state such policies and practices in its regulations and external documents and in the commitment made by the board of directors and senior management to actively implement such policies?	V		(I) We have established the [Ethical Corporate Management Best Practice Principles] and [Procedures for Ethical Management and Guidelines for Conduct] approved by the board of directors to regulate that directors and senior management, employees or those with substantive control shall not offer, promise, request or accept undue or improper advantage, either directly or indirectly, in business activities, or engage in dishonored acts that may violate integrity, the law, or trust. The President's Office is responsible to establish, supervise, and implement ethical management policies and preventive measures.	Not a significant difference
(II) Does the company establish an assessment mechanism of risk from unethical behavior to regularly analyze and assess business activities with higher risk of involvement in unethical behavior and preventive programs for unethical behaviors containing at least the preventive measures stated in paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”?	V		(II)Based on the [Ethical Corporate Management Best Practice Principles], we analyze business activities with the scope of business identified as high-risk unethical conduct and prevent offering and acceptance of bribes and provision of illegal political financing.	Not a significant difference

Assessment Item	Performance in implementation (Note)			Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
(III) Does the company establish in the preventive programs the operating procedures to prevent unethical behavior, penalties and grievance systems of breaching the guidelines for conduct, and implement and periodically review and revise them?	V		(III) Based on the "Procedures for Ethical Management and Guidelines for Conduct," we prevent unethical behavior. At irregular meetings or education/training activities, we advocate the prevention of unethical behavior, develop a consistent belief among employees, and abide by the Company Act, Securities and Exchange Act, Business Entity Accounting Act, and other related laws and regulations for TESE/TPEX-listed companies, or other business conduct regulations. We have designated an ethical corporate management unit to report to the board of directors (at least once per year) the results of the ethical corporate management policy and preventive programs to implement ethical corporate management and periodically review and revise related operations.	Not a significant difference
II. Implementing Ethical Corporate Management	V		(I) When handling procurement, we follow the "Procurement and Payment Process," including "price enquiry and comparison," "acceptance and payment," and "supplier evaluation management," defined in ISO and the internal control system to enforce ethical corporate management.	Not a significant difference
(I) Does the company assess the ethical records of its counterparts and explicitly include clauses on ethical behavior in transaction contracts?				
(II) Does the company establish a unit specializing in implementing ethical corporate management under the Board of Directors and report regularly (at least once a year) to the Board of Directors the status of implementation and supervision of the ethical management policy and preventive programs of unethical behavior?	V		(II) With respect to the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct," the President's Office is responsible for the establishment, implementation, supervision, and review the effectiveness of implementation of the ethical corporate management policy and preventive programs and report the results to the board of directors periodically (at least once a year). In terms of hands-on operation and implementation, including educational & training programs, compliance advocacy, offense-reporting system and whistleblower protection, please refer to the descriptions below.	Not a significant difference

Assessment Item	Performance in implementation (Note)			Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
(III) Does the Company establish and implement a policy to prevent conflicts of interest and provide suitable channels for reporting such conflicts?	V		(III) In the "Procedures for Ethical Management and Guidelines for Conduct," to prevent conflicts of interest, when related events occur while carrying out duties, employees should report such events to the immediate supervisor and responsible unit (President's Office). They should give appropriate instructions to employees to enforce ethical corporate management.	Not a significant difference
(IV) Does the company establish an effective accounting system and an internal control system for the internal audit unit to establish related audit programs based on the results of risk assessment of involvement in unethical behavior to audit and prevent the compliance with the preventive programs of unethical behavior or hire a CPA to perform the audit?	V		(IV) We have established related accounting systems and internal control operating procedures to enforce ethical corporate management. In addition, the audit department periodically draws up related audit programs based on the results of assessment of risk of involvement in unethical behavior and audits the compliance of preventive programs of unethical behavior. The CPA also audits the performance of the Company's internal audit system every year.	Not a significant difference
(V) Does the Company regularly organize internal and external education and training activities for ethical corporate management?	V		(V) In 2021, the Best-Practice Principles on Good Faith Management related programs sponsored by the Company both internally and outsourced ones toward such trainees including ranking managerial officers, continuing education for directors, notably 2021/9/1 [The 13th Taipei Corporate Governance Forum], 2021/10/28 [2021 Insider Equity Transaction Law Compliance Advocacy Briefing], 2021/12/7 [Trade Secret Protection and Corporate Governance], [2021 Cathay Sustainable Finance and Climate Change Summit Forum] and the like, in a total of 54 hours. Educational & training programs, e.g., "Innovation Concentric Camp", "Fraud Risk Audit Management Practice", "Financial Misrepresented Financial Statement and Legal Liability for Enterprise Fraud", and the like, a total of 72 hours attended by at least 20 trainees.	Not a significant difference
III. Operating the Whistleblowing System				

Assessment Item	Performance in implementation (Note)			Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
(I) Does the Company establish explicit whistleblower and reward schemes and convenient reporting channels, and assign appropriate personnel to investigate the target of a whistleblower report?	V		(I) We have established the “Whistleblowing Regulations” and set up a “0800” free helpline for reporting illegal or unethical behaviors. Employees may also report illegal or unethical behaviors to the responsible unit of each department. In addition, apart from specifying the need to provide official reporting channels in the “Ethical Corporate Management Best Practice Principles,” we define the importance of keeping confidential the identity of whistleblowers and the report contents. After detecting illegal or unethical behaviors, employees can report to the supervisor, manager, chief internal auditor, or other appropriate staff.	Not a significant difference
(II) Does the company establish standard operating procedures for investigation, post-investigation measures, and related mechanisms to ensure the confidentiality of a whistleblower complaint?	V		(II) To encourage employees to report illegal or unethical behaviors, we enable employees to acknowledge that we will protect and keep confidential the privacy of whistleblowers according to related processes or mechanisms of the company by the responsible units.	Not a significant difference
(III) Does the Company establish measures to protect whistleblowers against retaliation?	V		(III) We are committed to protecting the confidentiality of and protecting whistleblowers to keep them away from improper treatment or retaliation.	Not a significant difference
IV. Reinforcing Information Disclosure (I) Has the Company disclosed its Best-Practice Principles on Good Faith Management including the contents and performance of the implementation, through its own website and Market Observation Post System (MOPS)?	V		(I) We have set up a corporate website to disclose information in relation to ethical corporate management in a timely manner. (II) We have designated staff to gather information in relation to ethical corporate management and disclose it on the corporate website, in the Annual Report, and on MOPS in a timely manner.	Not a significant difference
V. Where the Company has duly enacted its own Best-Practice Principles on Good Faith Management in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, please elaborate on the difference between the hands-on practice and requirements under the official Principles: Without a significant difference.				

Assessment Item	Performance in implementation (Note)			Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
VI. Other significant information conducive for better awareness of the Company's implementation of Best-Practice Principles on Good Faith Management: (E.g., the Company's reassessment and update of the Ethical Corporate Management Best Practice Principles)				
<div>1. We maintain sustainable development and put customers first in business operations. When doing business with suppliers and customers, we uphold ethical corporate management and specify related operating procedures and penalties. When detecting unethical behaviors of counterparts, we immediately terminate transactions with them and bring them to account. To date, there is no report on significant non-compliance with ethical corporate management.</div> <div>2. We have established the “Regulations for Management of Insider Trading Prevention” to prevent improper leakage of information and ensure the consistency and accuracy of disclosed information.</div> <div>3. We have established the “Rules of Procedure for Board of Directors Meetings” to specify that directors shall explain the important contents in relation to their conflicts of interest regarding proposals discussed in the meeting or their status or the status of the corporation they represent as related parties. When there are threats to the company’s interest, such directors shall sidestep from the discussion and voting, nor shall then represent other directors to exercise their voting rights.</div> <div>4. This Company amended the “Ethical Corporate Management Best Practice Principles” with respect to the Letter Tai-Cheng-Zhi-Li-Zi No. 10800083781 issued by the Taiwan Stock Exchange Corporation on May 23, 2019 and the “Procedures for Ethical Management and Guidelines for Conduct” with respect to the Letter Tai-Cheng-Zhi-Li-Zi No. 1090002299 issued by the Taiwan Stock Exchange Corporation on February 13, 2020. The amendments will be reported to the 2020 AGM.</div>				

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

1. Corporate Governance Best Practices and relevant regulations:

The Company has established the "Corporate Governance Best Practice Principle," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," "Codes of Ethical Conduct," and "Whistleblowing Regulations."

2. Enquiry Method: These regulations are available for enquiries from our corporate website

(<http://www.rt-develop.com.tw>),

or to be downloaded from MOPS (<http://mops.twse.com.tw>).

(VIII) Other important information that helps understand the performance of corporate governance may be disclosed at the same time: NA.

(IX) Implementing the Internal Control System:

1. Statement on internal control system: Refer to the next page for details.

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

Ruentex Development Co., Ltd.

Statement of Internal Control

Date: March 15, 2022

With regards to the results of the 2021 self-assessment of the internal control system, we hereby declare as follows:

- I. We acknowledge and understand that it is the responsibility of our Board of Directors and managers to establish, implement, and maintain an internal control system, and we have established such system. The purpose is to fairly ensure the effect and efficiency of operations (including profitability, performance, and security of assets); the reliability, timeliness, and transparency of financial reporting; and the achievement of legal compliance.
- II. There is a limitation inherent to each internal control system, however perfect the design is. As such, an effective internal control system can only fairly ensure the achievement of the aforementioned goals. Furthermore, the effectiveness of an internal control system may vary as the macro environment and situation change. By equipping our internal control system with a self-monitoring mechanism, we can take immediate corrective actions against any defects once identified.
- III. Referring to the criteria for determining the effectiveness of an internal control system as specified in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (the “Criteria”), we judge the effectiveness of design and implementation of our internal audit system. With regard to the management control process, the Criteria divide an internal control system into five elements: a) control environment, b) risk evaluation, c) control operation, d) information and communication, and e) monitoring. Each element in turn contains certain audit items, and the Criteria shall be referred to for details.
- IV. We have assessed the effectiveness of design and implementation of our internal control system with such criteria.
- V. On the grounds of the assessment results under the preceding paragraph, the Company holds that the design and implementation of the Company's internal control system (including the supervision and management over the subsidiaries) as of December 31, 2021, including awareness of the effectiveness of operations and the extent to which efficiency objectives have been accomplished as well as the reports concerned have been virtually reliable in real-time, transparent, well satisfactory to the relevant norms and relevant laws and regulations as well as the compliance with the relevant internal control systems. All aforementioned contents would rationally assure satisfactory accomplishment of the aforementioned targets.
- VI. This statement shall form an integral part of the Annual Report and the prospectus of this Company and will be disclosed to the public. If there is any fraud, concealment, or unlawful practice found in the above contents, we shall be liable for the legal consequences under Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
- VII. The present Declaration was duly resolved by the Board of Directors on March 15, 2022. Among nine directors participating in that event, none objected at all and all extended full consent to back up the contents of the Declaration, as solemnly declared herewith.

Ruentex Development Co., Ltd.

Chairman: Jean, Tsang-Jiunn

President: Lee, Chih-Hung

(X) In the previous fiscal year and by the date of annual report publication, there were punishments on the company or its employees by law or punishments on employees by the company for violating the internal control regulations with results that may cause significant impacts to the rights and interests of shareholders or the stock price, state the content of punishments, major defects, and improvements: NA.

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

1. AGM Minutes:

Date of the Meeting	Major Resolutions	Implementation
2021/7/23 (AGM) Regular meeting of shareholders	1. Pass of the Company's final account settlement papers for Fiscal 2020.	
	2. Pass of the Company's allocation of earnings for Fiscal 2020.	As officially resolved in the Board of Directors, the ex-dividend base day would be 2021/08/01 Laborer Projection Management Procedures and the dividend would be allocated on 2021/08/12 (At cash dividend of @NT\$1 per share).
	3. Pass of amendment to the Company's "Articles of Incorporation".	The amendment has been duly approved by Ministry of Economic Affairs and promulgated into the Company's website and shall be put into enforcement according to law based on the post-amendment contents.
	4. Pass of the motion about the Company's plan to convert earnings into capital increase in coordination with the allocation of earnings for 2020.	Approved by the competent authority to come to effect on 2021/08/11 and further approved by the Ministry of Economic Affairs for alteration registration on 2021/10/13; officially resolved by the Board of Directors that the date 2021/09/29 should be the base date for ex-right, capital increase and to issue new shares. The shares were issued into trading in the stock exchange on 2021/11/09. (Cash dividend at @NT\$4 per share)

2. Board of Directors Meeting Minutes:

Date of the Meeting	Major Resolutions
2021/1/18	1. Motion that the Company would authorize the representative to sign relevant papers of Concord Greater China Limited Board of Directors is posed into discussion.
2021/2/4	1. Report on the Company's audit report of the 4 th quarter, 2020. 2. Report on the Company's minutes of the Remuneration Committee. 3. Report on the results of performance evaluation of the Company's Board of Directors for 2020. 4. Motion for acknowledgement of contract (s) signed amidst the Company's application to the financial institution(s) for credit limits of the loan. 5. Discussion on the percentage of remuneration to employees to be appropriated for 2020. 6. Discussion on the amount of year-end bonus to be allocated for 2020. 7. Discussion on final approval of the year-end bonus to the managerial officers of the

Date of the Meeting	Major Resolutions
	<p>Company in Fiscal 2020</p> <p>8. Discussion on the year-end bonus payable to the Company's Chairman for 2020.</p> <p>9. Discussion on the Company's plan to sign final account settlement agreement with Ruentex Engineering & Construction Co., Ltd. on the "Construction Project of Ruentex Dunfeng".</p> <p>10. Discussion on the Company's plan to sign final account settlement agreement with Ruentex Engineering & Construction Co., Ltd. on the "Landscaping Project for Public Facilities for the Lobby of Ruentex Dunfeng".</p> <p>11. Discussion on the Company's plan to dispose of the 1 housing unit plus 1 parking space located on the 6th floor of B5 of "Ruentex Yangbei" located at Sixin Sixin Section of Xindian District, New Taipei City.</p>
2021/3/10	<p>1. Discussion on the Company's plan to appoint a representative to sign relevant papers with the Board of Directors of Concord Greater China Limited.</p>
2021/3/26	<p>1. Report on the Company's liability insurance policy(ies) for directors.</p> <p>2. Report about the Company's capabilities on self-compilation of financial statements</p> <p>3. The motion on the Company's application to the financial institution(s) for acknowledgement of the contract (s) signed for credit limits.</p> <p>4. Motion for acknowledgement of the report on the Company's implementation of endorsements/guarantees in 2020.</p> <p>5. Discussion on the Company's application to the financial institution(s) for acknowledgement of the contract (s) signed for credit limits.</p> <p>6. Discussion on the Company's consolidated financial statements (including individual financial statements), business report and such final account papers in 2020.</p> <p>7. Discussion on amortization by the Company for remuneration to employees for 2020.</p> <p>8. Discussion on the Company's intent to amend "Articles of Incorporation".</p> <p>9. Discussion of profit distribution proposal for 2020.</p> <p>10. In coordination with distribution of earnings of 2020, the Company intends to convert the earnings into capital increase to issue new shares.</p> <p>11. Discussion on the Company's regular meeting of shareholders to be convened for 2020.</p> <p>12. Discussion on the Company's plan to execute an agreement(s) the Earthquake Engineering Society of the Republic of China to discuss "The Study on the Environmental Vibration Impact Assessment of the Underground Tunnel Crossing Regions of the Three Railways including the Nangang Hub Public Urban Renewal Project, Taiwan Railway, High-speed Railway and MRT Bannan Line Project".</p> <p>13. Discussion on the issue that the Company's Zhonglun Branch intends to execute a final account settlement contract on the "RT-Mart Zhonglun Store Refurbishment Project" with Ruentex Engineering & Construction Co., Ltd...</p> <p>14. Discussion on the issue that the Company's Zhonglun Branch intends to execute a final account settlement contract on the "RT-Mart Zhonglun Store Refurbishment Project" with Ruentex Interior Design Inc.</p> <p>15. Discussion on the issue that the Company intends to develop the Urban Renewal Project on 22 plots of land in Lot Nos. 140 and the like, Subsection 4, Changan Section, Chungshan District, Taipei City.</p> <p>16. Discussion on the Company's Declaration of Internal Control System of 2020.</p>
22021/4/26	<p>1. Discussion of the proposal for participating in the public tender for the facilitator of the urban regeneration project for the "Land of Specific Commercial Use Zone (X) at Taipower Northern Storage and Transportation Center Nangang Site (AR-1-2)."</p> <p>2. Discussion on the issue the Company intends to execute an agreement with Ruen Yang Construction Co., Ltd. to undertake "Demolition of Sungjiang Road Project of Ruentex Innovative Development Co. Ltd."</p> <p>3. Discussion on the Company's plan to render joint guarantee to its subsidiary Ruentex Innovative Development Co. Ltd. on its application to KGB Commercial Bank Co., Ltd. and Hong Kong Bank of East Asia Limited. for a syndicated loan.</p>
2021/5/13	<p>1. Report on internal audit of the Company for the 1st quarter, 2021</p> <p>2. The Company's consolidated financial statements for the 1st quarter, 2021</p> <p>3. Discussion on the Company's plan to newly apply to the financial institution(s) for credit limits.</p>
2021/7/6	<p>1. Motion for acknowledgement of the contract executed by the Company to apply to the financial institution for credit limit.</p> <p>2. Acknowledgement of the Company's subscription to the common shares of Ruen Fu Newlife Corp.</p> <p>3. Motion about that the Company intends to sign undertaking contract with Ruentex Interior Design Inc. on "Ruentex Dingfeng Public Facilities & Landscaping Project" is posed into</p>

Date of the Meeting	Major Resolutions
	<p>discussion.</p> <p>4. Discussion on the Company's subscription to the common shares of Ruen Cheng Investment Holdings Co., Ltd. amidst its capital increase through cash injection.</p> <p>5. Discussion on the Company's new application to financial institution for credit limit.</p> <p>6. Discussion on the proposed amendment of the “Standard Internal Control System of the Shareholder Service Department”.</p> <p>7. Discussion on the date scheduled to convene the Company's regular meeting of shareholders 2021.</p> <p>8. Discussion on the issue to schedule the Company's ex-dividend base day to allocate cash dividend for 2020.</p>
2021/8/12	<p>1. The Company's Internal Audit Report for the 2nd Quarter, 2021</p> <p>2. Report on minutes of the meeting convened by the Company's Remuneration Committee.</p> <p>3. Report on the Company's capabilities to work out financial statements by itself.</p> <p>4. Acknowledgement of the Company's application to the financial institution(s) for credit limits.</p> <p>5. Discussion on the Company's intended change of the attesting certified public accountants for financial statements starting from the 2nd quarter, 2021.</p> <p>6. Discussion on the Company's consolidated financial statements for the first half of Fiscal 2021.</p> <p>7. Discussion on the Company's intent to subscribe the common shares of Ruentex Construction International Co., Ltd. in its capital increase through cash injection.</p> <p>8. Discussion on the Company's intent to waive subscription to the capital increase through cash injection by Ruentex Baiyi Co., Ltd..</p> <p>9. Motion that the Company intends to execute undertaking contract(s) with Ruentex Interior Design Inc. to undertake “Design for Ruentex Wuguwang Project A for Public Facilities in the Elevator Lobby” and “Design for Ruentex Wuguwang Project B for Public Facilities in the Elevator Lobby” is posed into discussion.</p> <p>10. Motion that the Company intends to execute undertaking contract with Ruentex Construction International Co., Ltd. to undertake “New Construction Project for Ruentex Innovative Development Co. Ltd. on Sungjiang Road” is posed into discussion.</p>
2021/9/3	<p>1. Acknowledgement of the Company's application to the financial institution(s) for credit limits.</p> <p>2. Discussion on the Company's new application to financial institution(s) for credit limits.</p> <p>3. Discussion on the Company's intent to schedule the ex-dividend base day amidst its conversion of earnings into capital increase to issue new shares</p>
2021/10/22	<p>1. Discussion on the Company's intent to dispose of common shares of RT-Mart International Logistics Co., Ltd.</p>
2021/10/25	<p>1. Acknowledgement of the Company's application to the financial institution(s) for credit limits.</p> <p>2. Discussion on the Company's new application to financial institution(s) for credit limits.</p> <p>3. Motion that the Company intends to execute undertaking contract (s) with Ruentex Interior Design Inc. on the “Ruentex Wenhua Public Facilities & Landscaping Project”, “Ruentex Dingfeng Exterior Wall Large Stone Board Transaction”, “Botanic Garden Villa A2-4F Real Building Decoration Project” is posed into discussion.</p>
2021/11/12	<p>1. The Company's Internal Audit Report for the 3rd Quarter, 2021</p> <p>2. Report about the Company's capabilities on self-compilation of financial statements</p> <p>3. Discussion on the Company's subscription to the common shares of Ruentex Interior Design Inc. amidst its capital increase through cash injection.</p> <p>4. Discussion on the Company's disposal of common shares of Evergreen Steel Co., Ltd..</p> <p>5. Discussion on the Company's consolidated financial statements of the 3rd quarter, 2021.</p>
2021/12/28	<p>1. Report on the relevant audit plan issues over the Company's financial statements of 2021.</p> <p>2. Report on the Company's implementation of Best-Practice Principles on Good Faith Management in 2021.</p> <p>3. Report on the Company's evaluation upon the attesting certified public accountants on their attribute of independence.</p> <p>4. Acknowledgement of the Company's application to the financial institution(s) for credit limits.</p> <p>5. Discussion on the Company's new application to financial institution for credit limit.</p> <p>6. Discussion on the remunerations payable to the attesting certified public accountants retained by the Company for 2022 and 2023.</p> <p>7. Discussion on the Company's internal audit plan for 2022.</p> <p>8. Discussion on the Company's business operation plan for 2022.</p>

Date of the Meeting	Major Resolutions
	<p>Discussion on the Company's intent to execute undertaking contract (s) with Ruentex Interior Design Inc. on the "Ruentex Wenhua Exterior Wall Stone Board Transactions".</p> <p>10. Motion that the Company intends to sell one housing unit on 11F plus 7 parking spaces of Housing Unit A1 of "Botanic Garden Villa" on Nanhai Section, Zhongzheng District, Taipei City to related party (ies) is posed to discussion.</p> <p>11. Motion that the Company intends to sell one housing unit on 23F, A6 plus two parking spaces of "Ruentex Daan Fuyang" in Xinhai Section, Da-an District, Taipei City to a related party is posed into discussion.</p> <p>12. Discussion on the Company's intent to launch concerted construction projects with 8 plots of land in Lot No. 109 Huancui Section and 9 plots of land at Lot No. 39, Subsection 2, Banqiao District, New Taipei City.</p> <p>13. Discussion on the Company's intent to amend the titles and partial contents of "Corporate Governance Best-Practice Principles" and "Corporate Social Responsibility Best Practice Principles".</p>
2022/1/25	<p>1. Report on the Company's internal audit for the 4th quarter, 2021</p> <p>2. Report on the Company's minutes of the Remuneration Committee.</p> <p>3. Report on the result of the Company's performance evaluation over the Board of Directors 2021.</p> <p>4. Acknowledgement of the Company's application to the financial institution(s) for credit limits.</p> <p>5. Discussion on the Company's percentage of remuneration to employees to be appropriated for 2021.</p> <p>6. Discussion on the amounts of year-end bonus to be allocated by the Company to the managerial officers in 2021.</p> <p>7. Discussion on the amounts of year-end bonus to be allocated by the Company to the Chairman in 2021.</p> <p>8. Discussion on the Company's intent to execute contract (s) with Ruentex Materials Co., Ltd. about transaction of building materials for Ruentex Daan Fuyang.</p>
2022/3/15	<p>1. Report on the Company's liability insurance policy(ies) for directors.</p> <p>2. Report about the Company's capabilities on self-compilation of financial statements</p> <p>3. Acknowledgement on the report about the Company's implementation of endorsements/guarantees in 2021.</p> <p>4. Discussion on the Company's consolidated financial statements (including individual financial statements) and business report and such final account settlement papers of 2021.</p> <p>5. Discussion on the remuneration to employees appropriated by the Company for 2021</p> <p>6. Discussion on proposed amendment to the Company's "Articles of Incorporation",</p> <p>7. Discussion on proposed amendment to the Company's "Procedures for the Acquisition or Disposal of Assets",</p> <p>8. Discussion on the Company's intent to lift the directors reassigned for Term 16 from prohibition of business strife.</p> <p>9. Discussion on regular meeting of shareholders to be convened by the Company for 2022.</p> <p>10. Motion that the Company intends to execute contract (s) with Ruentex Interior Design Inc. for "Transaction on Ruentex Yangbei Exterior Wall Stone Material Boards: and "The Silk Court B1-7F Housing Decoration Project" is posed into discussion.</p> <p>11. Discussion on the Company's Declaration of Internal Control System of 2021.</p>

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

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

V. Information on the fees payable to the attesting certified public accountants.

Information on the fees payable to the attesting certified public accountants.

Expressed in New Taiwan Dollars in Thousands

Name of CPA Firm	Name of CPA		Accountants' Audit Period	Audit Fee	Non-audit Fee	Total	Remark
PwC Taiwan	Wang, Chao-Ming	Hsu, Ming-Chuan	2021/1/1-2021/3/31	4,780	200	4,980	
	Chang, Shu-chiung	Huang, Chin-Lien	2021/4/1-2021/12/31				

Note: Non-Audit Fee refers to the assurance services of the CSR Report.

- (I) Non-audit fee paid to the accountants, CPA firm, and its associated enterprises accounted for more than 25% of the audit fee: None
- (II) Upon replacement of certified public accountants, the auditing fee paid in the year of replacement decreased over the auditing fee paid in the year preceding replacement: Such fact is nonexistent.
- (III) The auditing fees paid decreased by over 10% compared with the preceding year: Such fact is nonexistent.

VI. Change of Accountants:

(I) About Former Accountants:

Replacement Date	2021/4/1		
Reasons for and Explanations of Such Replacement	In the wake of adjustment of the interior organization by PricewaterhouseCoopers Taiwan, starting from the 2 nd quarter, 2021, the Company's attesting certified public accountants were replaced from Certified Public Accountants Wang Chao-Ming, Hsu Ming-Chun into Certified Public Accountants Chang Shu-Chiung and Huang Chin-Lien.		
Explanation: The appointment for auditing service is terminated by the principal or refused by the accountant.	Party	Certified Public Accountant	Principal
	Circumstances	N/A	
	Proactive Termination of Appointment		
	No Longer Accepting (continuing) Appointment		
The Independent Auditor's Report with an audit opinion other than an unqualified opinion issued in the last two years and the reasons:	N/A		
Whether there is any disagreement with the issuer Not applicable	Yes		Accounting Principles or Practices
			Disclosures of Financial Report
			Audit Scope or Procedures
			Others:
	Nil	Description: Not applicable	
Other Disclosures (Disclosures according to Subparagraphs 1-4 - Subparagraph 1-7 of Paragraph 6, Article 10 of the Regulations)	N/A		

(II) About the Succeeding Accountants:

Name of Accounting Firm	PwC Taiwan
Name of CPA	Chang Shu-Chiung, Huang Chin-Lien
Date of Appointment	2021/4/1
Inquiries before appointments regarding the accounting processes or principles for the specific transactions and the possible audit opinions for the financial report and the results:	N/A
Written opinions of the succeeding accountant on specific events that are different from the former accountant:	N/A

(III) Replies of the former accountants on the events as stipulated in Subparagraph 1 and Subparagraphs 2-3, Paragraph 6, Article 10 of the Regulations: Not applicable

VII. The Company's Chairman, President, and manager of finance or accounting who has worked for a CPA firm or its associated enterprises within the year: None.

VIII. In the previous fiscal year and by the date of annual report publication, the equity transfer and change in pledged equity of the directors, supervisors, managers, and shareholders with more than 10% shareholding:

(1) Changes in Shareholdings of Directors, Supervisors, Managers, and Major Shareholders:

Unit: Shares

Position title:	Name	2021		Current year as of 2022/4/17	
		Number of shares held Increase (Decrease) in Number of Shares	Pledged Shares Increase (Decrease) in Number of Shares	Number of shares held Increase (Decrease) in Number of Shares	Pledged Shares Increase (Decrease) in Number of Shares
Chairman	Yingjia Investment Co., Ltd.	7,362,316 0	0	0	0
	Representative: Jean, Tsang-Jiunn	116,123 0	0	0	0
Director and Major Shareholder	Ruentex Industries Ltd.	154,706,414 0	32,800,000 (43,500,000)	0	0
	Representative: Hsu, Sheng-Yu (Taking office on 2022/1/26)	(Taking office on 2022/1/26)		0	0
	Representative: Yin Wong, Yee-Fan (Quitting office on 2022/1/26)	212,354 0	0 0	0	0
	Representative: Yin, Chung-Yao	0	0	0	0
Director	Ruentex Xing Co., Ltd.	5,316,877 0	0	0	0
	Representative: Lee, Chih-Hung	375,078 0	0	0	0
	Representative: Chen, Li-Yu	43,492 0	0	0	0
Director	Yingjia Investment Co., Ltd.	7,362,316 0	0	0	0
	Representative: Ho, Kai-Lin	0 0	0	0	0
Independent Director	Zhao, Yi-Long	0	0	0	0
Independent Director	Ko, Shun-Hsiung	0	0	0	0
Independent Director	Chang, Guo-Zhen	0	0	0	0
President	Lee, Chih-Hung	375,078 0	0	0	0
Vice President	Zhou, Pei-Ling	67,505 (26,000)	0	0	0
Vice President	Chen, Li-Yu	43,492 0	0	0	0
Vice President	Yen, Tien-Cheng	0	0	0	0
Vice President	Lin Ting-Chieh (Quitting office on 2022/1/31)	8,140 (35,000)	0	0	0
Vice President	Lin, Chin-Szu	38,880 0	0	0	0
Vice President	Cheng, Wen-Ching	31,968 0	0	0	0
Vice President	Wang, Guo-Rong	23,040 0	0	0	0
Vice President	Wang, Pei-Shou	326 0	0	0	0

Position title:	Name	2021		Current year as of 2022/4/17	
		Number of shares held Increase (Decrease) in Number of Shares	Pledged Shares Increase (Decrease) in Number of Shares	Number of shares held Increase (Decrease) in Number of Shares	Pledged Shares Increase (Decrease) in Number of Shares
Vice President	Liu Wen-Chang (Taking office on 2021/4/1)	44,359 0	0	0	0
Vice President	Chang, Wen-Jen (Taking office on 2021/5/1)	8,208 0	0	0	0
Assistant Vice President	Tsai, Pei-Jin	0	0	0	0
Assistant Vice President	Chang, Wei-Cheng	0	0	0	0
Assistant Vice President	Yang ,Wen-Chuen	36,007 0	0	0 (9,000)	0
Assistant Vice President	Gong, Hui-Zi	0	0	0	0
Assistant Vice President	Tsai, Jia-Sheng	0	0	0	0
Assistant Vice President	Guo-zhi Zhuang	0	0	0	0
Assistant Vice President	Kuo,Tien-Fang (quitting post on 2021/5/3)	0	0	(quitting post on 2021/5/3)	
Assistant Vice President	Chen,Po-Yu	360 0	0	0	0
Assistant Vice President	Lin, Chun-Miao	0	0	0	0
Assistant Vice President	Wei, Yu-Ci (Taking office on 2021/4/1)	3,906 0	0	0	0
Assistant Vice President	Yang, Ai-Zhen (Taking office on 2021/4/1)	0	0	0	0
Assistant Vice President	Li An-Hsien (Taking office on 2021/4/1)	(Taking office on 2021/4/1)		0	0
Assistant Vice President	Hu Chuang-Ling (Taking office on 2021/4/1)	(Taking office on 2021/4/1)		0	0
Manager, Zhonglun Branch	Kao, Jie-Wen	224 (34,000)	0	0	0
Major Shareholder (More than 10% in shareholding)	Ruentex Industries Ltd.	154,706,414 0	32,800,000 (43,500,000)	0	0

Note (1) The representative of the Company's corporate director Ruentex Industries Ltd. was replaced from Director Yin Wong, Yee-Fan into Director Hsu Sheng-Yu on 2022/1/26.

Note (2): A shareholder holding shares in excess of 10% of the total shares shall be identified as a major shareholder and shall be enumerated respectively,

Note (3): If the counterparty of equity transfer or equity pledge is a related party, please fill out the following forms:

1. The counterparty of the equity transfer is a related party: None
2. The counterparty of the equity pledge is a related party: None

IX. Information on top 10 shareholders in proportion of shareholdings and who are stakeholders, spouses, or related to one another or kin at the second pillar under the Civil Code to one another:

April 17, 2022

Name (Note 1)	The principal person Shareholdings		Shareholdings of Spouse/Minor Children		Shares Held in the Name of Others		Titles or Names of the Top-ten Shareholders Who Have a Relationship With Each Other or a Spouse, or a Kinship of Second Cousin (Note 3)		Remark
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Title (or name)	Relationship	
Ruentex Industries Ltd. Representative: Hsu, Sheng-Yu	541,472,450	25.70%	—	—	—	—	Huei Hong Investment Co., Ltd.	Huei Hong is a corporate director of Ruentex Industries Ltd.	
	226,800	0.01%					None	None	
Huei Hong Investment Co., Ltd. Representative: Samuel Yen-Liang Yin	155,935,143	7.40%	—	—	—	—	Ruentex Industries Ltd. Ruen Hua Dyeing & Weaving Co., Ltd. Yi Tai Investment Co., Ltd.	Huei Hong is a corporate director of Ruentex Industries Ltd. Ruen Hua Dyeing & Weaving Co., Ltd. are corporate directors of Huei Hong Investment Co., Ltd. Yi Tai is a corporate supervisor of Huei Hong Investment Co., Ltd.	
	4,109,793	0.20%	743,240	0.04%	—	—	Chang Quan Investment Co., Ltd. Ruen Hua Dyeing & Weaving Co., Ltd.	Samuel Yen-Liang Yin is a representative of Chang Quan Investment Co., Ltd. Samuel Yen-Liang Yin is a representative of Ruen Hua Dyeing & Weaving Co., Ltd.	
Yi Tai Investment Co., Ltd. Representative: Chang, Kun-Long	92,342,243	4.38%	—	—	—	—	Huei Hong Investment Co., Ltd.	Yi Tai is a corporate supervisor of Huei Hong Investment Co., Ltd.	
	127,680	0.01%	34,293	0.00%	—	—	Yingjia Investment Co., Ltd. Huei Hong Investment Co., Ltd. Ruen Hua Dyeing & Weaving Co., Ltd.	Chang, Kun-Long is a representative of Yingjia Investment Co., Ltd. Chang, Kun-Long is a representative of Huei Hong Investment Co., Ltd. Chang, Kun-Long is a representative of Ruen Hua Dyeing & Weaving Co., Ltd.	
Changchun Investment Co., Ltd. Representative: Samuel Yen-Liang Yin	83,066,307	3.94%	—	—	—	—	Ruen Hua Dyeing & Weaving Co., Ltd. Yingjia Investment Co., Ltd. Huei Hong Investment Co., Ltd.	Chang Quan Investment Co., Ltd. is a corporate director of Ruen Hua Dyeing & Weaving Co., Ltd. Changchun Investment is a corporate supervisor of Yingjia Investment Co., Ltd.	
	4,109,793	0.20%	743,240	0.04%	—	—	Huei Hong Investment Co., Ltd. Ruen Hua Dyeing & Weaving Co., Ltd.	Samuel Yen-Liang Yin is a representative of Huei Hong Investment Co., Ltd. Samuel Yen-Liang Yin is a representative of Ruen Hua Dyeing & Weaving Co., Ltd.	

Name (Note 1)	The principal person Shareholdings		Shareholdings of Spouse/Minor Children		Shares Held in the Name of Others		Titles or Names of the Top-ten Shareholders Who Have a Relationship With Each Other or a Spouse, or a Kinship of Second Cousin (Note 3)		Remark
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Title (or name)	Relationship	
Ruen Hua Dyeing & Weaving Co., Ltd. Representative: Chang, Kun-Long	31,910,566	1.51%	—	—	—	—	Huei Hong Investment Co., Ltd. Yingjia Investment Co., Ltd. Changchun Investment Co., Ltd.	Ruen Hua Dyeing & Weaving Co., Ltd. are corporate directors of Huei Hong Investment Co., Ltd. Ruen Hua Dyeing & Weaving is a corporate director of Yingjia Investment Chang Quan Investment Co., Ltd. is a corporate director of Ruen Hua Dyeing & Weaving Co., Ltd.	
	127,680	0.01%	34,293	0.00%	—	—	Yingjia Investment Co., Ltd. Huei Hong Investment Co., Ltd. Yi Tai Investment Co., Ltd.	Chang, Kun-Long is a representative of Yingjia Investment Co., Ltd. Chang, Kun-Long is a representative of Huei Hong Investment Co., Ltd. Chang, Kun-Long is a representative of Yi Tai Investment Co., Ltd.	
Yingjia Investment Co., Ltd. Representative: Chang, Kun-Long	25,768,108	1.22%	—	—	—	—	Ruen Hua Dyeing & Weaving Co., Ltd. Changchun Investment Co., Ltd.	Ruen Hua Dyeing & Weaving is a corporate director of Yingjia Investment Changchun Investment is corporate supervisor of Yingjia Investment	
	127,680	0.01%	34,293	0.00%	—	—	Ruen Hua Dyeing & Weaving Co., Ltd. Huei Hong Investment Co., Ltd. Yi Tai Investment Co., Ltd.	Chang, Kun-Long is a representative of Ruen Hua Dyeing & Weaving Co., Ltd. Chang, Kun-Long is a representative of Huei Hong Investment Co., Ltd. Chang, Kun-Long is a representative of Yi Tai Investment Co., Ltd.	
Norges Bank Investment Special Account, CITI Bank (Taiwan)	22,071,052	1.05%	—	—	—	—			
Vanguard FTSE Emerging Markets ETF Special Account, JPMorgan Chase	22,053,778	1.05%	—	—	—	—	-	-	
PGIA Integrated International ETF in Custody of JPMorgan Chase	20,321,183	0.96%	—	—	—	—			
The Tang Prize Foundation	19,656,000	0.93%	—	—	—	—	-	-	

Note 1: List all the top-ten shareholders; also, the title of the corporate shareholders and the name of their representatives should be listed separately.

Note 2: The calculation of the shareholding ratio refers to the shareholding ratio in the name of the principal, the spouse, the minor children, or the shareholding held in the name of others.

Note 3: For the shareholders disclosed in the preceding paragraph, including legal persons and natural persons, their relationships to each other should be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms.

Note 4: Representative of the Company's corporate director Ruentex Industries Ltd. was replaced from formerly Director Yin Wong, Yee-Fan into Director Hsu Sheng-Yu on January 26, 2022.

X. The total shareholding of the Company, the Company's directors, supervisors, managers, and the invested company directly or indirectly controlled by the Company, and the comprehensive shareholding ratio calculated.

2022/3/31

Expressed in thousand
shares, %

Investees (Note)	Investment by the Company		Comprehensive Investment of the Directors, Supervisors, Managers, and the Invested Companies Directly or Indirectly Controlled by the Company		Consolidated investment	
	Number of shares	Shareholding Ratio (%)	Number of shares	Shareholding Ratio (%)	Number of shares	Shareholding Ratio (%)
Ruentex Construction International (B.V.I) Co., Ltd.	25,000	100.00	—	—	25,000	100.00
Ruentex Property Management & Maintenance Co., Ltd.	2,829	100.00	—	—	2,829	100.00
Ruen Fu Newlife Corp.	1,200	60.00	800	40.00	1,500	100.00
Ruentex Security Co., Ltd.	6,900	100.00	—	—	6,900	100.00
Ruentex Construction & Development Co., Ltd. (Formerly known as City-Link Development Co., Ltd.)	200,000	100.00	—	—	200,000	100.00
Ruentex Xuzhan Co. Ltd.	160,000	80.00	—	—	160,000	80.00
Ruentex Baiyi Co., Ltd.	70,000	35.00	130,000	65.00	200,000	100.00
Ruentex Innovative Development Co. Ltd.	198,800	70.00	—	—	198,800	70.00
Ruentex Engineering & Construction Co., Ltd.	72,397	39.14	35,909	19.42	108,306	58.56
Ruentex Materials Co., Ltd.	15,740	10.49	65,866	43.91	81,606	54.40
Gin-Hong Investment Co., Ltd.	17,100	30.00	39,900	70.00	57,000	100.00
Ruen Cheng Investment Holdings Co., Ltd.	5,596,250	25.00	5,148,550	23.00	10,744,800	48.00
Concord Greater China Ltd.	10,593	25.46	17,580	42.25	28,173	67.71
Shing Yen Construction & Development Co., Ltd.	28,415	45.45	32,949	52.70	61,364	98.15
Sunny Friend Environmental Technology Co., Ltd.	29,677	26.62	2,310	2.07	31,987	28.69
Ruentex Industries Ltd.	85,437	11.63	50,870	6.93	136,307	18.56
Ruentex Construction International Ltd.	—	—	7,800	100.00	7,800	100.00
Sinopac Global Investment Ltd.	—	—	19,500	49.06	19,500	49.06
Ruen Yang Construction Co., Ltd.	—	—	600	100.00	600	100.00
Ruentex Interior Design Inc.	736	5.45	8,641	64.01	9,377	69.46
Nan Shan Life Insurance Co., Ltd.	32,048	0.23	162,912	1.18	194,960	1.41

Note: The Company's invested company under the equity method

IV. Fundraising

I. Capital and Shares

(I) Source of Capital

Year/ Month	Issuance Price (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares (1,000 Shares)	Amount (NT\$ Thousand)	Shares (1,000 Shares)	Amount (NT\$ Thousand)	Source of Capital	Paid-in Capital Paid with Considerations Other Than Cash	Others
August 1993	10	300,000	3,000,000	Common Stock: 185,150	1,851,500	Cash Capitalization: 700,000	No	August 9, 1993 Securities & Futures Institute (1993) Tai.Chai.Chen (I) No. 32741
				Preferred Stock: 70,000	700,000			
January 1994	10	320,000	3,200,000	Common Stock: 240,695	2,406,950	Capitalization from Earnings: 555,450	No	January 22, 1994 Securities & Futures Institute (1994) Tai.Chai.Chen (I) No. 49800
				Preferred Stock: 70,000	700,000			
June 1994	10	580,000	5,800,000	Common Stock: 288,834	2,888,340	Capitalization from Earnings: 481,390	No	June 25, 1994 Securities & Futures Institute (1994) Tai.Chai.Chen (I) No. 29048
				Preferred Stock: 70,000	700,000			
May 1995	10	610,000	6,100,000	Common Stock: 323,494	3,234,941	Earnings from Earnings: 346,601	No	May 10, 1995 Securities & Futures Institute (1995) Tai.Chai.Chen (I) No. 27761
				Preferred Stock: 70,000	700,000			
July 1995	10	610,000	6,100,000	Common Stock: 405,494	4,054,941	Cash Capitalization: 820,000	No	July 15, 1995 Securities & Futures Institute (1995) Tai.Chai.Chen (I) No. 39113
				Preferred Stock: 70,000	700,000			
May 1997	10	800,000	8,000,000	Common Stock: 505,494	5,054,941	Cash Capitalization: 1,000,000	No	May 19, 1997 Securities & Futures Institute (1997) Tai.Chai.Chen (I) No. 36838
				Preferred Stock: 70,000	700,000			May 19, 1997 Securities & Futures Institute (1997) Tai.Chai.Chen (I) No. 40668
August 1997	10	800,000	8,000,000	Common Stock: 575,494	5,754,941	-	No	Preferred Stock Converted to Common Stock
June 1998	10	950,000	9,500,000	Common Stock: 783,044	7,830,435	Cash Capitalization: 1,500,000 Capitalization From Paid-in Capital: 575,494	No	June 9, 1998 Securities & Futures Institute (1998) Tai.Chai.Chen (I) No. 51342
March 2006	10	950,000	9,500,000	Common Stock: 759,318	7,593,185	-	Cancellation of Treasury Stock: 23,725 Thousand	March 14, 2006 MOEA.So.Sun No. 09501043870

Year/ Month	Issuance Price (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares (1,000 Shares)	Amount (NT\$ Thousand)	Shares (1,000 Shares)	Amount (NT\$ Thousand)	Source of Capital	Paid-in Capital Paid with Considerations Other Than Cash	Others
							Shares	
August 2011	10	1,500,000	15,000,000	Common Stock 979,318	9,793,185	Cash Capitalization 2,200,000	No	August 25, 2011 FSC.Cert.Far No. 1,000038471
October 2021	10	1,500,000	15,000,000	Common Stock 980,808	9,808,079	Corporate Bond Conversion: 14,894	No	October 16, 2021 MOEA. So.Sun No. 10101214360
February 2013	10	1,500,000	15,000,000	Common Stock 999,625	9,996,255	Corporate Bond Conversion: 188,176	No	February 8, 2013 MOEA.So.Sun No. 10201027910
April 2013	10	1,500,000	15,000,000	Common Stock 1,023,630	10,236,295	Corporate Bond Conversion 240,040	No	April 15, 2013 MOEA.So.Sun No. 10201067950
July 2013	10	1,500,000	15,000,000	Common Stock 1,023,865	10,238,647	Corporate Bond Conversion 2,352	No	July 22, 2013 MOEA.So.Sun No. 10201141260
August 2013	10	1,500,000	15,000,000	Common Stock 1,173,865	11,738,647	Cash Capitalization 1,500,000	No	August 22, 2013 MOEA.So.Sun No. 10201171670
October 2013	10	1,500,000	15,000,000	Common Stock 1,179,478	11,794,779	Corporate Bond Conversion 56,132	No	October 16, 2013 MOEA.So.Sun No. 10201211920
January 2014	10	1,500,000	15,000,000	Common Stock 1,191,977	11,919,768	Corporate Bond Conversion 124,989	No	January 20, 2014 MOEA.So.Sun No. 10301009600
April 2014	10	1,500,000	15,000,000	Common Stock 1,192,069	11,920,685	Corporate Bond Conversion 92	No	April 18, 2014 MOEA.So.Sun No. 10301066370
July 2014	10	1,500,000	15,000,000	Common Stock 1,192,113	11,921,132	Corporate Bond Conversion 447	No	July 25, 2014 MOEA.So.Sun No. 10301137730
October 2014	10	1,500,000	15,000,000	Common Stock 1,192,545	11,925,453	Corporate Bond Conversion 4,321	No	October 17, 2014 MOEA.So.Sun No. 10301216980
January 2015	10	1,500,000	15,000,000	Common Stock 1,192,565	11,925,647	Corporate Bond Conversion 194	No	January 14, 2015 MOEA.So.Sun No. 10401003710
April 2015	10	1,500,000	15,000,000	Common Stock 1,192,591	11,925,914	Corporate Bond Conversion 267	No	April 24, 2015 MOEA.So.Sun No. 10401069610
August 2015	10	1,500,000	15,000,000	Common Stock 1,192,849	11,928,487	Corporate Bond Conversion 2,573	No	August 3, 2015 MOEA.So.Sun No. 10401146400
August 2015	10	1,500,000	15,000,000	Common Stock	13,928,487	Cash Capitalization	No	August 28, 2015 MOEA.So.Sun No.

Year/ Month	Issuance Price (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares (1,000 Shares)	Amount (NT\$ Thousand)	Shares (1,000 Shares)	Amount (NT\$ Thousand)	Source of Capital	Paid-in Capital Paid with Considerations Other Than Cash	Others
				1,392,849		2,000,000		10401179970
October 2015	10	1,500,000	15,000,000	Common Stock 1,392,851	13,928,513	Corporate Bond Conversion 26	No	October 15, 2015 MOEA.So.Sun No. 10401218780
January 2016	10	1,500,000	15,000,000	Common Stock 1,393,408	13,934,083	Corporate Bond Conversion 5,570	No	January 21, 2016 MOEA.So.Sun No. 10501010450
September 2017	10	2,000,000	20,000,000	Common Stock 1,672,090	16,720,900	Capitalization From Earnings 2,786,817	No	September 13, 2019 MOEA.So.Sun No. 10601131290
August 2018	10	2,000,000	20,000,000	Common Stock 1,003,254	10,032,540	Cash Reduction 6,688,360	No	August 28, 2018 MOEA.So.Sun No. 10701107370
September 2020	10	2,000,000	20,000,000	Common Stock 1,504,881	15,048,810	Capitalization From Earnings 5,016,270	No	September 15, 2020 MOEA.So.Sun No. 10901167160
October 2021	10	3,000,000	30,000,000	Common Stock 2,106,833	21,068,334	Capitalization From Earnings 6,019,524	Nil	Jing-Shou-Shang-Zi 11001184540 dated September 15, 2020

Note 1. The data of the current year should be filled in as of the Annual Report printing date.

- The increase and decrease of capital should be stated with the effective (approved) date and document number included.
- The stock issued at a value below the face value should be indicated conspicuously.
- The private placement of stock should be indicated conspicuously.
- The capital paid with currency credits and technology should be stated with the type and amount of said considerations detailed.

April 17, 2022

April 17, 2022

Type of Shares	Authorized Capital					Remarks
	Outstanding Shares			Unissued Shares	Total	
	Listed	Unlisted	Total			
Registered Common Stock	2,106,833,397	—	2,106,833,397	893,166,603	3,000,000,000	

(II) Shareholder Structure

April 17, 2022

Shareholder Structure Quantity	Government Agency	Financial Institutions	Other Legal Person	Individual	Foreign Institution and Foreigners	Total
Number of People	2	10	387	95,045	582	96,026
Shareholding	2,280,900	2,155,287	1,055,319,657	708,143,479	338,934,074	2,106,833,397
Shareholding Ratio (%)	0.11	0.10	50.09	33.61	16.09	100

Note: The first listed (OTC) company and emerging company should disclose the percentage of the shares held by Chinese investors. Chinese investors refer to the people, legal persons, groups, and other institutions in China as stipulated in Article 3 of the “Regulations Governing Permission for People from the Mainland Area to Invest in Taiwan” or the invested companies of theirs in a third region.

(III) Equity Dispersion

April 17, 2022

Shareholding Bracket	Number of Shareholders	Shareholding (Shares)	Shareholding Ratio (%)
1 to 999	24,696	7,487,240	0.36%
1,000 to 5,000	47,187	105,735,474	5.02%
5,001 to 10,000	10,748	79,088,913	3.75%
10,001 to 15,000	4,196	52,737,840	2.50%
15,001 to 20,000	2,279	39,874,071	1.89%
20,001 to 30,000	2,338	57,714,085	2.74%
30,001 to 40,000	1,118	38,880,338	1.85%
40,001 to 50,000	803	36,402,253	1.73%
50,001 to 100,000	1,453	102,322,153	4.86%
100,001 to 200,000	671	92,791,009	4.40%
200,001 to 400,000	285	78,869,511	3.74%
400,001 to 600,000	85	41,739,143	1.98%
600,001 to 800,000	34	23,410,707	1.11%
800,001 to 1,000,000	28	25,428,657	1.21%
1,000,001 and above	105	1,324,352,003	62.86%
Total	96,026	2,106,833,397	100.00%

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

Name of Major Shareholders	Shares	Shareholding	Shareholding Ratio (%)
Ruentex Industries Ltd.		541,472,450	25.70
Huei Hong Investment Co., Ltd.		155,935,143	7.40
Yi Tai Investment Co., Ltd.		92,342,243	4.38
Changchun Investment Co., Ltd.		83,066,307	3.94
Ruen Hua Dyeing & Weaving Co., Ltd.		31,910,566	1.51
Yingjia Investment Co., Ltd.		25,768,108	1.22
Norges Bank Investment Special Account, CITI Bank (Taiwan)		22,071,052	1.05
Vanguard FTSE Emerging Markets ETF Special Account, JPMorgan Chase		22,053,778	1.05
PGIA Integrated International ETF in Custody of JPMorgan Chase		20,321,183	0.96
The Tang Prize Foundation		19,656,000	0.93

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

Expressed in New Taiwan Dollars

Item/Year		2020	2021	By April 17, 2022
Market Price per Share	Maximum	55	85.7	80.3
	Minimum	30	38.5	62.5
	Average	43.36	56.62	70.91
Net Value per Share	Before Distribution	75.92	55.47	—
	After Distribution	53.51	— (Note 4)	—
Earnings per Share	Weighted Average Shares (1,000 Shares)	1,454,762	2,036,667	—
	Earnings per share Before Retroactive	4.2	7.98	—

Item/Year			2020	2021	By April 17, 2022
		Adjustment			
		After Retroactive Adjustment	—	— (Note 4)	—
Dividends per Share	Cash Dividends		1	2(Note 4)	—
	Stock Dividends	Stock Dividends From Earnings	4	5(Note 4)	—
		Stock Dividends From Paid-in Capital	—	—	—
	Accumulated Unpaid Dividends		—	—	—
Return on Investment Analysis	Price-to-Earnings Ratio (P/E Ratio) (Note 1)		10.32	7.10	—
	Ratio of Dividends (Note 2)		43.36	28.31(Note 4)	—
	Cash Dividend Yield Rate (Note 3)		2.31	3.53(Note 4)	—

* Where the Company converts its earnings or capital reserve into capital increase, the Company shall disclose information of the market prices and cash dividend adjusted retrospectively based on the number of issued shares

Note 1: P/E ratio = Average closing price per share/Earnings per share for the year.

Note 2: Ratio of dividend = Average closing price per share/Cash dividends per share for the year.

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

Note 4: The distribution of the Company's earnings of 2020 was already resolved by the Board of Directors on April 25, 2022. Pursuant to the Company's Articles of Incorporation and laws, the cash dividend shall come to @NT\$2 per share and the stock dividend NT\$5 per share. The aforementioned issue is pending for resolution by the regular meeting of shareholders.

Note 5: The net value per share and the earnings per share should be included in the latest seasonal financial report as of the Annual Report printing date, which is audited (reviewed) by the accountant; the remaining columns should be filled in with the data of the current year as of the Annual Report printing date.

(VI) The Company's Dividend Policy and Implementation

1. Dividend Policy:

- (1) The Company sets its dividend policy pursuant to the Company Act and the Company's Articles of Incorporation, taking into account the Company's capital and financial structure, conditions of business operation, earnings, the attributes of industries and cycles concerned. The Company pays dividends by means of either stock dividend or cash dividends.
- (2) As expressly provided for in Article 35 of the Articles of Incorporation, with the surplus earnings after final account settlement process, the dividend shall be distributed based on the priority order as enumerated below:
 - ① First pay income tax.
 - ② Make up loss accumulated in previous year, if any.
 - ③ Amortize 10% as legal reserve unless the accumulated legal reserve is up to the total paid-in capital of the Company.
 - ④ Amortize or rotate special reserve as required by law or the competent authority.
 - ⑤ For the balance after deduction of the sums under Paragraphs ①~④, the Board of Directors shall propose the allocation ratios to be duly allocated or retained after being submitted and resolved in the shareholders' meeting.

2. Implementation:

In terms of distribution of earnings of 2021, in accordance with the Articles of Incorporation and laws and ordinances concerned, it is proposed that NT\$4,213,666,794 shall be distributed as cash dividend (@NT\$2 per share) and stock dividend at NT\$10,534,166,980 (@NT\$5 per share). The aforementioned motion shall be first resolved in the Board of Directors before being submitted to and resolved in the shareholders' meeting.

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

Item		Year	2022 (Estimated)
Beginning paid-in capital (Expressed in New Taiwan Dollars)			21,068,333,970
Stock/ cash dividend distribution in the year (Note 1)	Cash dividend per share (Expressed in New Taiwan Dollars)		NT\$2
	Capital increase by earnings, allotment of shares per share		0.5 share
	Capitalization from capital reserves, allotment of shares per share		-
Changes in operating performance	Operating Profit		N/A (Note 2)
	Increase (decrease) ratio of operating profit over the same period of previous year		
	Net profit after tax		
	Increase (decrease) ratio of net profit over the same period of previous year		
	Earnings per share		
	Increase (decrease) ratio of EPS over the same period of previous year		
	Annualized ROI (inverse of annualized P/E ratio)		
Pro forma EPS and P/E ratio	If converting the capitalization from earnings entirely to cash dividend allotment	Pro forma EPS	
		Pro forma annualized ROI	
	If no capitalization from capital reserves	Pro forma EPS	
		Pro forma annualized ROI	
	If no capitalization from capital reserves and converting the capitalization from earnings to cash dividends allotment	Pro forma EPS	
		Pro forma annualized ROI	

Note 1: The motion for cash and stock dividend allocation for 2021 was resolved by the Board of Directors and is still pending to be resolved by the shareholders' meeting.

Note 2: Not applicable to the Company, since it does not announce publicly the financial forecasts, according to 1 February 2000, Tai.Chai.Chen (I) No. 00371.

(VIII) Remuneration to Employees and Directors

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

(1) Pursuant to the Articles of Incorporation, with the net profit of the Company in a year before deducting remuneration to employees, a sum ranging from 0.3% to 5% shall be amortized as the remuneration to employees. If the Company has accumulated losses, an equivalent amount from the profit earned shall be reserved to make up for losses.

The remuneration to employees as stated in the preceding paragraph can be paid in cash or with stock dividends, and the object of distribution must include employees of the subordinate company that meet certain conditions.

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

2. The accounting treatment for the difference between the estimation basis of the estimated remuneration to employees and directors in current period, the basis for the calculation of stock dividends to employees, and the actual distribution amount from the estimated amount:

(1) Please refer to (VIII) 1. for the estimation basis of the estimated remuneration to employees and directors in current period.

(2) The accounting treatment for the difference between the actual distribution amount and the estimated amount: It is regarded as a change in accounting estimate and is included in the profit or loss of the actual distribution year.

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

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

A. Given the profitability of the Year of 2021, it is estimated at 0.3%, to be allocated as resolved by the Board of Directors on March 15, 2022. for 2021, the remuneration to employees came to NT\$29.201 million which shall be allocated in cash in full.

B. There is no difference between the distributed amount and the estimated amount. Expressed in New Taiwan Dollars in Thousands

Distribution	The current fiscal year (2021)				
	Estimated Amount in the Expense Recognizing Year	Distribution Amount Resolved by the Board of Directors	Difference	Reason for Difference	Handling
Remuneration to Employees in Cash	48,496	48,496	Nil	Nil	Nil

(2) The percentage of remuneration to employees allocated by means of stocks to the total amount of remuneration to employees and the aggregate total of the net profit after tax and total remuneration to employees as shown in the individual or respective financial statements of the current term: In the year, no remuneration to employees were allocated in stocks. This is, therefore, not applicable.

4. In the preceding fiscal year (2020), the facts of allocation of remuneration to directors and remuneration to employees (including number of shares, amount allocated and stock price), the differential gap from the recognized remuneration to employees and remuneration to directors, the causes behind and settlement : Expressed in New Taiwan Dollars

Distribution	Last Year (FY2020)				
	Estimated Amount in the Expense Recognizing Year	Distribution Amount Resolved by the Board of Directors	Difference	Reason for Difference	Handling
Remuneration to Employees in Cash	29,201	29,201	Nil	Nil	Nil

(IX) Stock shares repurchased by the Company: None

II. Corporate bond issuance: None

III. Preferred stock issuance: None

IV. Disclosure in Relation to Depository Receipts: None

V. Employee stock warrants issuance: None

VI. New restricted employee shares issuance: None

VII. New shares in connection with a merger or acquisition, or new shares in connection with acquisition of another company's shares:

(I) In the most recent year and as of the Annual Report printing date, the Company has completed the acquisition or transfer of shares of the Company to issue new shares: None

(II) In the most recent year and as of the Annual Report printing date, the acquisition or transfer of shares of the Company to issue new shares resolved by the Board of Directors: None

VIII. Fund implementation plan:

(I) Project Content:

The previous issuance of securities, outstanding private placement of securities, or the issuance of private placement of securities have been completed in the last three years without significant effect resulted: None

(II) Implementation Situation: Not applicable

Five. Operational Overviews

I. Business Content

(I) Business Scope

1. Main content of the business:

- (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 Wholesale of Plant Seeds.
- (17). F201061 Seedlings retail business.
- (18). F201061 Vaccine import and export business.
- (19). H704031 Real estate agency and brokerage business.
- (20). F401181 Weighing instrument input 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 their 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 and 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 Jewellery 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 Except for charter business, business operations not prohibited or restricted by law.

2. Operating ratio:

Revenue Ratio Product Items	2021	
	Revenue	Ratio
Construction Business Department	21,513,551	78.82%
Commercial Real Property	1,798,552	6.59%
Building Materials Division	2,479,465	9.08%
Wholesale Business Department	1,053,093	3.86%
Other Business Operation Department	449,223	1.65%
Total	27,293,884	100.00%

3. The Company's current products, service projects, and new products and services planned for development:

The Company's main business, in addition to land development and investment in the construction of residents, villas, and commercial buildings, and investment in the elderly care business, is to carry out mid-term and long-term land development, such as, urban regeneration, urban planning changes, land change, leisure, MRT joint development, station OT/BOT and commercial real estate development, development of specific areas, surface rights setting for public projects, etc., and it actively plans to cooperate with Ruentex Group to implement diversification, such as, cooperation in MRT joint development and station OT/BOT projects, actively operating commercial real estate development and introducing department store business, through joint development of the MRT and the BOT station traffic line to connect to the Taipei City commercial center and to have local representative buildings emerge. The Company is committed to substantiating the service concept of "letting the house take care of people, rather than having people to take care of the house," continuing to innovate research and development, to diversifying product development with more excellent product planning, construction, and service quality, and to generating more profits.

In terms of building materials business, in response to the global climate change and the awakening of environmental protection awareness, we will continue to optimize new cementitious materials and non-calcium cement in order to save energy and reduce carbon emissions. In addition, with the improvement of living standards and the denser population of the metropolitan area, the residential pattern tends to be denser and stratified, which makes the impact of floor noises between the upper and lower tenants worse, thus reducing the quality of the living environment. The development of indoor noise-reducing floor mortar is planned to enhance living quality.

In addition, in terms of retail and wholesale business, the focus is mainly on operating shopping malls, self-operated counters, and selling a wide variety of products that are closely related to food, clothing, and housing. In the future, we will continue to develop our own branded products and introduce new international products to create more brilliant achievements.

(II) Industry Overview

(1) Construction Business

A. The status quo of construction business and the development thereof

Amidst the heavy impact of the COVID-19 pandemic spread, the entire preceding year stayed in the easiest working capital environment in the entire world with huge amount of superfluous current funds poured into stock markets, bonds and real estate and such assets otherwise, bringing up to another wave of boom. In Taiwan, other than the prosperous stock exchange, real estate market remained heated and soaring up even amidst the rising heat spread of COVID-19 pandemic during the second and third quarters..

At the winter season while the epidemic calmed down a bit, the government bailout policy worked, all economies showed signs of revival in the fourth quarter, 2021. Pursuant to statistics promulgated by the Central Bank, in November 2021, the

housing loans newly undertaken by banks amounted up to NT\$71.9 billion, an all-time high since the government implemented House & Land Tax Integration System in 2016 while the number of housing ownership transfer in the wake of successful deals came to 45252, an annual increase at 5.1%. All these facts suggest quite heated housing markets.

Where Taiwan-based entrepreneurs returned from their offshore investments to expand production capacities, the transferred purchase orders from the international community brought up benefits, Taiwan's major science and technology giants boosted their procurement of equipment coupled with the government forward-looking programs to further drive domestic demands and boost Taiwan entrepreneurs back to their homeland. The government enforced the revitalization measures and the industries' promotion strategy well worked along with Taiwan's quite successful performance in COVID-19 control,. The public people and the domestic economy enjoyed a usual ambiance, remarkably offsetting the adverse impact against the environment. The global economic outlook became increasingly promising.. On the other hand, nevertheless, the continuous emergence of variants of COVID-19 in various countries along with the recent escalation of the Russian-Ukrainian War, the path toward the economic recovery is still challenged by lots of variables. We anticipate that the pre-COVID-19 prosperity is not anticipable until after the second half of 2022.

The rising house prices worry the government authority that might adversely affect the rigid demand among the real house buyers. The government authorities, in response, began to strengthen the control over real estate. Such competent authorities include notably the Ministry of the Interior, the Financial Supervisory Commission and Central Bank. With the most recent four credit monitoring and control measures, we notice that of the government authorities primarily intend to crack down on housing market hoarders and speculators, including corporate legal persons, natural persons (individuals) who hold more than three housing units with adjustment on the grace periods for land purchase loans instead of a policy to bash the entire housing market industry.

At the present, Taiwan's economy is still lingering in the semiconductor investment cycle. The inflation leads to a tense supply chain in the entire world. The oil prices remain hanging high and all Central Banks the entire world over turn into a policy of austerity. The construction costs rise remarkably amidst all such factors including notably construction costs and wages which are rising year by year, leading to critical problems amidst the skyrocketing prices on both wages and material costs. The funds in the easy monetary markets and huge funds brought by the returning Taiwan-based overseas investors significantly boosted the prices in both Taiwan Stock Exchange and real estate market. The effect of the wealth resulting from the significant rise of asset prices boost brisk consumption. Inflation has virtually become an inevitable dark tide. Countering the inevitable inflation, we see a very likely change to raise interest rates. The "credit control" still represents the very prime policy for the government to cool housing price down. In an attempt to prevent an overheating housing market, the Central Bank has officially resolved the amendment to the House & Land Tax Integration System drafted by the Executive Yuan (the Cabinet) primarily for the purpose of curbing short-term speculation on housing prices by prolonging the period for "short-term transaction" cases which are subject to heavy taxation. These measures are coupled with the restriction upon the duration of house loans. All these measures suggest that the government intends to restrict upon high aggregate total amount housing products and the customer bases who hold a good number of real property. In turn, such measures would meanwhile restrain the price rise of other mid-priced housing products.

Overall, with abundant capital supply, future housing market development is promising, and the growth momentum is sound. The capital injection brought by the returning overseas Taiwanese investors further lead to a room of imagination in the markets, increasing the housing market in a promising prospect in 2022.

B. Relevance of the Up-stream, Mid-stream, and Low-stream of the Construction Industry:

Over the past decade or so, although the housing market has played an essential role in Taiwan's economic growth as time goes by, with the gradual rise of the productivity of other industries, the industrial influence of the productive value and contribution of the housing industry has diminished. As the reality industry is a domestic-demand-led industry unaffected by changes in foreign countries, and the output value of service grows reversely, it still brings positive contribution to economic growth.

The construction industry covers architectural development, construction, building materials, real estate brokerage, construction consultants, construction finance related services, and related professional industries. The development and operation of buildings must be classified by the investment, production, trading, intended use, etc. into an up-stream, mid-stream, and low-stream supply with an overall industrial activity system constituted.

The main raw materials for the upstream of the construction industry are land and building materials. The acquisition of land can be achieved through the sale or joint construction of private landlords, or the redevelopment of old residential communities by urban renovation procedures, and the acquisition of state-owned non-public sites through government auctions. Building materials are purchased from professional suppliers or factories.

The mid-stream of the construction industry is the most critical core value in the construction industry chain, mainly for investment and production. The former as stated in the preceding paragraph, such as, land developers, financial institutions, and consultants providing professional information and financing related to building development. The latter as stated in the preceding paragraph includes architects, construction managers, construction companies, and builders providing product positioning, construction planning, construction and engineering management, and other related services.

The downstream of the construction industry is traditionally for sales and after-sales service. The main economic activities are for trading and intended use. The former, such as, the construction company's sales department, agency sales and brokers, provides professional services, such as, advertising and sales; the latter includes the construction company's warranty department, property management company, or consulting industry providing product warranty, maintenance construction, property management, and other related services.

C. Development trends of construction industry development and status of competition

A general election is scheduled in Taiwan in 2022 while the political and policy impacts tend to intensify. We anticipate that the bullish status will remain unchanged in the current year. The number of construction projects scheduled by the Company is believed to remain unaffected by the election. Noticeably enough, nevertheless, that the government policies to cool real estate prices down will significantly affect the real estate markets both prices and quantities.

The previous implementation of the House & Land Tax Integration System 2.0 already locks down the pre-construction-sale housing products from being released within five years minimum, leading to a shrink in volume, rise in price in pre-construction-sale housing products. Subsequently the Ministry of the Interior further prohibits a pre-construction-sale housing product case from exchange in contract. Will that MOI restriction be passed in the third reading process by the Legislative Yuan (The Congress) to complete revision of the law? That answer receives significant concern. Though the law-amendment process has not been resolved, it will inevitably affect the potential purchases in the markets in a short-term and will, in turn, dampen house builders from launching pre-construction-sale housing

product cases. In the days and years ahead, the volume of pre-construction-sale housing products is bound to come down and funds in the markets are likely to be shifted to the completed housing products, including newly built completed houses and aged houses, leading to a bull and an undersupply in the markets of completed housing products.

In 2022, the overall real estate market is believed to prolong the secured growth of 2021 to go up at a stable step, with prices and volumes remaining unchanged or rising a bit even amidst the government measures to cool market down with the House & Land Tax Integration System 2.0. The most significant change in the construction market in late 2022 is the undersupply in both labor and building materials largely resulting from the return of overseas Taiwanese investors, leading to the rise in both building material and labor costs. The adjustment of costs in the present wave will virtually change our path from the conventional manner. Instead, we shall complete building process for integrated actuarial calculation of costs before sales to more accurately appraise profitability and assure rational range of profits. The asset heat in the present wave just coincides the government policy to curb real property market. All countries the world over respond by rising interest rates. The FED, as well, voices to rise interest rate by 2022 or even earlier, as it hints. The Central Bank in Taiwan follows up. Will the rising interest rate challenge the housing prices in Taiwan? The answer should be interpreted with our hands-on historical experiences. The buying incentives will continually rise primarily amidst the three major factors, i.e., inflation, skyrocketing stock prices in global stock exchanges and low interest rates. The housing prices in the non-prime (egg-while) regions are bound to over-rise the counterparts in the prime regions (yolk) regions, to virtually narrow down the gap between the urban and rural regions. Buyers will buy for their own residence or own use. Investment-oriented buyers are primarily aim at mid-term and long-term investments to minimize short-term investment. Overall, the real property market is believed to remain stable notwithstanding the uninterrupted COVID-19 spread.

Fundamentally, Taiwan's economy will remain strong in the long-term amidst export of electronic parts & components. The inflow of capital funds into Taiwan will slow down while still up to a high level. Until the trend of local currency depreciation is reversed, the trend of housing market will remain unchanged. The construction costs will rise upward, bringing in a stronger rigidity in downward housing prices.

Currently, the market is still dominated by the demand of owner-occupiers, and price is the main consideration of this group. Small-to-medium-size completed and in pre-construction sale objects and low-price new projects are expected to remain the major products for this year. Alongside with the return of overseas Taiwanese businesses, the move-up and property purchase groups will join the market to help consume medium-to-large-size objects and luxury housing this year.

Toward the bullish housing market, other than the policies to adjust land value tax and housing tax, the government has accelerated construction of young housing units and renewed the aged buildings. Such policies are conducive to helping stabilize the transaction volume. The housing tax will be revised towards the direction of low self-occupying tax, and the housing market will return to the fundamentals.

Amidst the government promotion toward urban planning, the real estate land supply markets have gradually been oriented to three major aspects, i.e., urban renewal, concerted construction with land and renewal of aged constructions.

As consumers pay more attention to quality living, building constructors strive to have products planned with humanization and refinement. In terms of space utilization, they also focus on the practicality and diversity of functions. The recent housing market is subject to the actual prices practice; therefore, construction of mid-size and small-size "self-occupied houses" is increasing.

Overall, looking forward to the housing markets as of 2022 while the housing market has undergone adjustment, backflow of capital funds, low interest rates amidst the capital fund wave in the post-COVID-19 era, the housing market prices will unceasingly go upward given the factors of land availability amidst the brisk transaction in either pre-construction-sale housing products or completed buildings.

As long as land in a prime zone is available, builders are still desirous to grasp the chances with proactive evaluation to team up with the landlords by means of concerted construction to increase the land momentum in inventory.

(2) Building Materials

A. Status quo of cement industry and development prospects.

Cement is the material for infrastructures in life. Government public constructions and private constructions all need a great deal of cement. It is a mature industry with steady demand. The cement industry in Taiwan features the following: it is capital intensive, domestic sales-oriented, fundamental for daily life and national defense, and it is also an industry featuring continuous production and manufacturing.

B. Correlation Among the Upstream, Mid-stream, and Downstream of the Cement Industry

The upstream of the cement industry includes quarrying for the supply of silicon sand and clay materials, non-metal mining for the supply of natural gypsum and limestone materials, iron and steel smelting for the supply of iron cake and hearthstone materials, coal-fired power generation for the supply of cinder and secondary gypsum materials, as well as supportive industries such as collaborative electricity supply, fuel supply, railway transport, automobile transport, and water transport. The downstream that directly requires a supply of finished cement products includes ready-mixed concrete, cement products (such as concrete pipes, cement bricks, and prefabricated elements, among others), and construction.

C. Cement industry development trends and the competition status

In addition to cement products, there are processed products containing cement. Cement is one of the products used for industrial purposes, and is provided to concrete premixing plants in compliance with performance specified in national standards. Cement products are not only steady and highly reliable in terms of quality. Reduced consumption of energy during production and raw material replacement are the future goals. In terms of reduced consumption of energy during production, in the future, efforts will be focused on precise use of energy/CO₂ output trial calculation, introduction of high-performance grinding aid solutions, and introduction of alternative fuels, among others. In addition, as far as raw material replacement is concerned, the type of alternative raw materials shall be established, and laws and regulations allowing such replacement, practices, and benefits shall be confirmed. The development as a whole is aimed at integrating environmental protection and energy conservation, and processing and re-utilizing business byproducts, taking care of both the capital threshold and the technical threshold. As for product development not under standard regulations, the focus in the future will be LOHAS products and development of construction techniques and machinery. Such LOHAS products include cement products that can prevent radiation, regulate humidity, are sterile, and can keep warm along with construction machinery in order to lead on the market.

(3) Retail and Wholesale

A. Current Status and Development of the Industry

Toward department store industry, 2021 was a time thrilling with huge fluctuations. Domestically, the heated COVID-19 pandemic spread hit extremely hard the department store customers from their desire to buy. The government granted revitalization coupons better known as five-fold coupons began fermenting to pep up buying incentives in the 4th quarter but still brought only limited yield compared with the three-fold coupons granted in the second half of 2020.

The department stores had enjoyed quite a boom before COVID-19 outbreak during January~April, due primarily to the facts: (1) Strict border control that virtually retained the local consumption powers; (2) The profit-gain investors in the stock exchanges thronged toward high-end consumption; (3) The temporary subsidence of the COVID-19 pandemic spread stimulated consumers up to high shopping desire amidst the retaliatory consumption demand. As the COVID-19 outbreak occurred in May until September, the gourmet and catering streets became the first to bear the brunt amidst the sudden plummet of consumer crowds, becoming the gigantic impact upon the department stores which had tried hard to lure new catering brand names to stay therein. During the peak of the endemic, quite a few shopping malls became locked down in the wake of the report of the confirmed COVID-19 cases from time to time. In response, department stores could not but cut short their business hours and underwent plummeted sales, down by up to 60% or 70%. The COVID-19 pandemic spread created an unexpected stay-at-home economy while the demand for online shopping and delivery enjoyed very significant growth, prompting the department stores to rush into the 0-contact delivery and pickup services. Such efforts, nevertheless, still failed to fill up the previous performance gap.

Up to the 4th quarter of the year as the COVID-19 eased up and quite a few control and restrictions were lifted coupled with the anniversary sales promotions along with the government five-fold incentive coupons, the overall department stores performance jumped into a sudden upsurge, and even to an all-time high in October. In the 4th quarter with the all-out sprint, the overall annual performance still showed a slight decline.

Looking forward to 2022 while the COVID-19 vaccine coverage rate was up to a certain extent and while the pandemic spreads seemingly as a flue, consumers would significantly rise their desires to shop and dine in the stores. If the COVID-19 pandemic does not worsen, we expect to see a stable and gradual trend of growth annually.

B. The interrelationship between retail and volume sales industry amidst upstream, mid-stream and downstream

The department store and shopping mall industry covers different specializations such as land development, construction, design and remodeling, business recruitment and planning, operational management, and marketing and project management, among others. The overall industrial chain is divided into different segments, the upstream, mid-stream, and downstream. The main roles of and correlation among the respective segments are described as follows.

1. Industry at the upstream,

In response to the changes in consumption habits in recent years, huge shopping malls or comprehensive shopping cities have emerged in suburbs as the very focus of development. Such commercial facilities call for huge areas of land and are located in the suburbs in most cases. In recent years, quite a few entrepreneurs have teamed up with the government or public institutions to acquire large areas of land close to public transportations by means of either BOT cases or above-ground rights cases. In such as Mitsui Taiwan-wide OUTLET, Lalaport Mall, Huatai Taoyuan OUTLET, Zhubei Far Eastern, Guansan SOGO High-speed Rail Entertainment Shopping Mall, and the like

2. Industry in mid-stream:

The core businesses of mid-stream department store industry: Including notably shopping mall planning and investment promotion, from market survey, shopping mall positioning, interior design, industry category planning, implementation to lure investment, project engineering management, brand entry and the like in series. In

2022 amidst the impact of COVID-19 and booming growth of online shopping in Taiwan, those chain catering groups and retail brand operators become relatively conservative. Quite a few brand operators demand department stores to cut down rent conditions or simply shut their business down. Accordingly, how to maintain sound and close ties with the brand operators become the very lessons to the department store operators.

3. Industry in the downstream

The downstream of the industry is primarily sales (commodities or services) and management. The salespeople for those brand name counters have been hardly available especially in these two years, untowardly affecting services and sales performance. The shopping mall operators primarily take charge of the implementation of a variety of marketing and promotion activities on the spot. Meanwhile, the high turnover rate of grass-roots level work in various property management companies (e.g. security guards, cleaning, mechanical and electrical technology, a variety of systems and equipment, and the like.) also adversely affects the quality of shopping mall performance and services.

C. Product Trends and Competition

In entire 2021, we underwent gigantic impact under the COVID-19 pandemic spread. The buying incentives row up somewhat in the physical channels in the 4th quarter. That, nevertheless, further deepened the foundation of delivery and digital-e-commerce indeed. Facing up to such transformation, other than digitalization efforts, how to further strengthen the hands-on consumption experiences through the physical channels shall become a very key lesson ahead of us. in the future. Hereunder, we point to the development trend of a department store:

1. Diversification of shopping mall categories and changes in business style:

Coping with the change in consumption habits and the post-COVID-19 era, large scale shopping malls with appeal to comfortable space suburb outlets become increasingly popular especially amidst a recession as the very favorite to consumers! Other than the comfortable space to attract customers to stay as long as possible, the customers who go to the shopping mall (OUTLET) are mostly multi-purpose-oriented. A great majority of them will drive over there. The overall unit prices can also be effectively increased overall.. These factors explain why “Far Eastern Chupei Store” and “Mitsui Outlet Park” Tainan Store which were under preparation amidst the COVID-19 peak and opened in early 2022 have been highly acclaimed by customers and eye-catching in sales performance.

Meanwhile, they put added emphasis upon "Life Proposal" as the planning logic, not aiming at the same industry category, but on the same lifestyle of the commodity planning as the principle instead; or in other emphasis on high spatial efficiency and high gross profit on the 1F to introduce automobiles, 3C and other non-boutique, cosmetic categories of industry. It is expected to become closer to consumers' needs and bring up added fun among shopping.

2. Gourmet charming

It is true that catering industry was the first to bear the brunt amidst the peak of COVID-19. Such catering industry, nevertheless, rebounds at formidable momentum as soon as the pandemic is over. Accordingly, attracting customers through well-known brand names is still one of the top business strategies of shopping malls at present! The catering groups that remain in services amidst COVID-19 heat wave have tremendously strengthened their operating physique and have begun to lay out their blueprints of future expansions. The trend to abandon street stores to enter the department store channel instead become obviously dominating. Those department

stores, nevertheless, still have to face the pressure of bargaining efforts on the rental terms with brand operators.

3. Mastery of digital stay-at-home economy

In the preceding year, the COVID-19 pandemic spread forced physical department store operators to significantly lay out onto online, digital retail, integrated virtual reality sales strategies which became increasingly significant in 2021. In turn, there derives into added digital services and digital commodity strategies. The catering delivery and takeout services remain in a certain portion as the pandemic eased up. This is another key point those department store operators shall cultivate continually in the future.

(III) Profile of technology and research & development

Over the past few years, Ruentex Development Co., Ltd. has been developing good land lots by constantly introducing innovative approaches that are unprecedented in the construction industry. The purpose is to fulfill the mission of the construction industry - to build the good house of the general consumers' dreams. We demand much from ourselves with multiple indicators such as rigid quality, cost effectiveness, and quick lead time while planning quality residential and commercial projects and providing vertically integrated professional services, accomplishing the utmost customer satisfaction and becoming a "value creating" team that is capable of not only innovation, research, and development, but also creating maximum value added for the land and the residents.

Members on the professional team are specialists in electrical and mechanical engineering, civil engineering, machinery, and materials. They meet on a weekly basis for research and development meetings and are devoted to the research and development of innovative techniques for various tasks, not only correcting the shortcomings of the traditional construction industry, namely labor intensity, waste of materials, and environmental pollution, but also significantly shortening the duration of construction and significantly improving quality of construction at the same time. Meanwhile, the multiple patent rights that Ruentex and its subsidiaries own are proof that its construction technology level is well recognized internationally. The symbolic differentiated construction approach, in particular, is prioritized to be applied in our construction planning, including one-piece stirrup, spiral stirrup, the NUL complex wall method, energy-saving insulation materials, and energy reducing composite sound insulation floors, among others.

Cost devoted to research and development by the Company and its subsidiaries in the most recent year up to the date the Annual Report was printed:

(expressed in NT\$ thousand; %)

Item	2021	The 1 st quarter of 2022(Note)
Annual R&D Expenditures (A)	71,795	18,165
Annual Revenue (B)	27,293,884	6,289,121
(A/B)	0.26%	0.29%

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

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

Short-term Plan: In terms of construction, in light of the current capital size, human resources, and investment return, and capital turnover efficiency of the Company, short-term business development is still focused on investing in the construction and sale of various select quality projects in the greater Taipei area with

conditions such as close to MRT stations, better school districts, and having good transportation and living facilities. In addition to accomplishing optimal operational benefits, budget system, audit system, and strict control over cost and expenditure/income, and gradually increasing the ratio of self-owned funds are applied to normalize the financial structure and secure the operational base so that the Company can continue to constantly grow and create maximum profits for its shareholders.

In terms of building materials, continuous efforts are made to strengthen R&D capabilities and further differentiate ourselves from the competition. There is a proposal incentive to encourage colleagues to make proposals on how to improve management, equipment, and cost. The market share is increased and ratios of channels are stabilized so that shipping and unit prices can remain steady. We are seeking opportunities to undertake large government construction projects and increase the ratio of high-gross profit products in sales.

In terms of retail and mass sales, as of the end of 2021, CITYLINK operated a total of four branches, i.e., CITYLINK Nangang Store, CITYLINK Songshan No.1 Store, CITYLINK Songshan No.2 Store and CITYLINK Neihu Store. Faced with fierce competition on the retail market, for shopping malls, the short-term emphasis is placed on strengthening the operational composition of existing stores. The plan is primarily as follows:

1. Adjustment toward business categories, brand names

The Nangang Store faces the Mitsui Lalaport Large Scale Shopping Center which is as huge as more than 30,000 ping (ping (1 ping = 3.3025 square meters = 36 ft²)) scheduled to open by 2023. It introduced in Tuztaya Bookstore strategically in late 2019 and has since then accelerated the pace of adjustment. It slowed down the pace during the first three Quarters 2021 as affected the pandemic. Starting from the 4th quarter it has carried out by leaps and bounds. For Songshan Stores 1 and 2, it successively introduced new brands & business styles (gym) with expansion of the Tuztaya Bookstore to unceasingly deepen the business categories. For the Neihu Store, they deepen cultivation toward community-type exquisite shopping malls.

2. Marketing differentiation

Continually via topic promotion activities, they created a boom in topics and heated check-ins to lure added streams of people further into buying and consumption behaviors. In addition, in light of the constant developments of new technologies and the changing reading medium for consumers, it is important to market events related to the shopping mall taking advantage of new social media.

3. Management over membership loyalty

The effort to maintain membership relationship is always a very key issue to a major department store and how to gain more members and win their loyalty is often a key issue for marketers!

As of 2021, CityLINK shopping malls have accumulated more than 340,000 members whose consumption values accounting for more than 40% of the total with unit consumption value much higher than that of ordinary consumers as well. Other than the efforts to wholeheartedly recruit members., we further in 2021 mapped out more attractive promotions through added topics and preferential programs, (including notably increased parking discounts, the increase in the up to full value gifts, member-exclusive promotions and discounts, and the like.), as well as more in-depth membership management interaction as incentive to boost stickiness and frequency in buying acts..

In terms of long-term development programs toward future, guided under the sustainable development concept, we shall invest in construction business or develop new business lines. Regarding construction business, we shall proactively grasp the opportunity of land development and joint construction projects in both Taipei City and New Taipei City through research and design of residential products based on rigid first-time house buyers or buyers with replacement demand. We hope to

emphasize our own patented technology & know-how as the very base point to create residential products toward all-age dwellers. In terms of the commercial real estate regard, we plan to use our own capital partially in concert with Japanese bookstore brand name to combine books and catering charms into a whole supplemented with comfortable planning and space design to create a stable profit for the Company.

For building materials, on the other hand, the environmental industry is combined for cross-industry integration. Quality is advanced to provide cement products of steady quality. Innovation, research, and development are focused on high quality and diversified cement products. Building material products and techniques are advanced to integrate service providers. Overseas quality building materials are sold through dealerships taking advantage of integral qualification capabilities. Mainland China and the overseas market are included. Sales representatives are trained with their professionalism improved.

As far as retail and wholesale business is concerned, faced with a quickly changing market where consumers have increased likings for new things and tend to dislike old ones, in addition to securing current grocery sales, efforts shall also be devoted to maintaining long-term competitive advantages and growth strength through different strategies. The primary plan is as follows:

(1) Talent Development: Talent is the cornerstone of corporate management. By selecting the precise talent, training them, and rotating them, in addition to creating a desirable workplace and corporate culture, outstanding talent can be retained. In addition, particular attention is paid to the employees' moral conduct and loyalty to the Company.

Outstanding employees not only will create optimal business performance but also can inspire and motivate other colleagues to form an optimal team that is able to fulfill new missions assigned by and demanded by the Company, and accordingly break new ground.

(2) Exploring Opportunities to Open New Stores: In addition to the operating performance from a single store, how to expand the market share and keep opening additional stores is important! By increasing the number of stores, it helps not only enhance brand awareness, but also increases negotiating chips with suppliers through cooperation with more brands. The sharing of costs among the stores forms a positive cycle for the operating performance to improve.

At present, spaces large enough for our projected commerce are hardly available in both Taipei City and New Taipei City. Where the market is nearly saturated and calls for high operating costs, we shall, therefore, continually look for appropriate venues in north, central and south parts of Taiwan to launch new commercial strongholds.

(3) Optimizing and upgrading the Member APP: Provide consumers with more friendly user interface and experience by optimizing the existing member system. Utilizing big data to analyze consumers' consumption models to facilitate more precise pushes!

Moreover, contact consumers more broadly and deeply via various social media groups, further build a more solid brand image and endeavor to develop toward online shopping.

II. Market and Production/Distribution Overview

(I) Market analysis: Construction, construction materials, and retail warehouse are the three main business sectors of the company. The market analysis of these three sectors are as follows:

1. Construction:

A. Where products (services) are primarily sold to or provided.

Construction business of the Company for the past three years focused on residential elevator buildings or office buildings in Taipei City and New Taipei City where transportation is convenient, daily living functions are complete, and there is

development potential in the future; the sales have been desirable.

B. Market Share:

The real estate market enjoyed a hot boom in entire Taiwan in 2021 coupled with the House & Land Tax Integration System 2.0 to guide the real estate market toward long-term sound development. We accomplished a new high in both launched products and successful deals as consumers anticipated a continued rise ahead. The latest mass media statistics indicate that in 2021, the top ten builders were mostly veteran long-established medium and large scale builders who launched cases mostly concentrated in the rezoning regions. While the Central Bank continually restricted land loan policy and the construction cost soared continually, those small and medium-sized builders were limited in the leverage space of funds and were difficult to break through into an expansion. In the days and years ahead, the large builders will enhance themselves into greater ones, in particular those huge-scale builders with sound financial conditions and goodwill. We at our corporate have launched sound layouts in both newly emerged rezoning regions and downtown areas to serve consumers with products of high quality oriented the trends of new era to upgrade their lifestyle. As a natural result, we have extensive acclaims for consumers.

C. Future Supply and Demand and Market Growth:

Recently in Taiwan, housing purchase has played a role as one the key momentums against inflation. Amidst the mounting demand, housing prices are hanging high. The cities with sound inflow of industries and population will display even more solid power of price rise. Where land is characterized by being hardly available in particular in core downtown areas, the real estate value remain high and stable as a very solid instrument against inflation. In line with the global environmental protection call for energy saving & carbon reduction and greenhouse gas reduction, the costs of building materials subject to high energy consumption and high pollution (notably steel, aluminum, cement) tend to rise, say, to rise as significantly as more than 40%. It is rather unrealistic to expect a decline in housing prices. The government authorities are supposed to try to maintain rationality in housing prices. The builders are, on the other hand, supposed to maintain continued competitive edge largely via the added value of the products. Such efforts include largely by improving the seismic resistance of the buildings, the performance of sound insulation and noise reduction, The setting of smart facilities and the construction of barrier-free architectural facilities oriented to dwellers of all ages. Other than prices, consumers are expected to focus on added quality oriented to the trends in the days and years ahead.

(A) Supply:

a. Completed Homes

Statistics revealed by the Housing Exhibition Magazine indicate that in 2021 in Taipei City, the total supply of new complete houses were valued at NT\$46 billion, mostly located in the three districts of Zhongshan, Shilin and Beitou in excess of 100 housing units where those in ten other districts were less than 100 housing units. The number of complete houses launched in New Taipei City was valued at approximately NT\$86.1 billion, accounting for 21.6% of total in the city. Among them, one-third were concentrated in Banqiao, Linkou and Sanxia; there were even none at all launched in Shulin, Jinshan and Sanzhi. The government anticipated to pass a decree to “restrict pre-construction-sale housing products from a change of contract” which is believed to dampen buying desires in the markets and to further reduce builders’ interests in launching new pre-construction-sale housing products into markets. In turn, buyers might shift they choices into newly completed houses, semi-new houses and aged houses. Meanwhile, the House & Land Tax Integration System 2.0 extends the heavy tax closure period to 5 years. In the markets, the commissioned volume of newly completed houses remain at a low level, leading to a trend of hoarding and profiteering.

B. In pre-construction sale Market

Statistics equally revealed by the Housing Exhibition Magazine indicate that in 2021, the total number of newly completed houses and pre-construction-sale housing products totaled at 90,473 units and after deducting those retained by the builders, for shareholders and the turn to the landlords, the number substantially launched to market came to 65,407 units. The total number of successful sales in accumulation numbered 39,333 units, with 26,074 units remaining unsold, in an average sales rate of approximately 60.14%, in positive growing rate in 5 consecutive years in a row above 50% of the bull-bear watershed, suggesting that the new case market remained stable. It is estimated that the sales rate by 2022 may be maintained at more than 50%, as a solid source to support house prices.

(B) Demand:

a. Completed Homes

In 2021 in Taiwan, builders expanded their production amidst the rather successful effort in anti-COVID-19 and the boom on exports resulting from remote video opportunities. As forecast by Directorate General of Budget, Accounting and Statistics, Executive Yuan, the rate of investment into real estate market hit a 21-year new high, economic growth to exceed 6%, a new high in nearly 11 years. Taiwan stocks have risen sharply leading to rising household wealth as well as public purchasing power in the housing markets. Here at the Company, we believe that the performance in individual cases and the overall market status could well continue the buying incentive of the preceding year. Overall, the market was oriented to the sellers' market. Also overall, the housing products close an MRT Station in small and medium-sized spaces would be sold out more easily. In New Taipei City, those medium and small sized residential units priced around NT\$20 million would be the targets for the first-time buyers, replacement. The gross prices still play a key role regarding whether the cases would be sold easily. The customer bases at high asset holding would rather choose a prime region, especially such luxury housing products that tend to increase in value and maintain high value. Other than locations, product planning, a builder's brand image will play another key role leading to hot sales. The Company has accumulated widespread acclaims with the housing products launched previously and we anticipate to launch and sell equally successful in the days and years ahead.

B. In pre-construction sale Market

Previously the implementation of the House & Land Tax Integration System 2.0 locked pre-sale houses from being released for at least five years, leading to the reduced volume of pre-sale units, and price hike. Subsequently the Ministry of the Interior "banned the pre-construction-sale housing products from an exchange of contract" which is pending for the 3rd final reading by the Legislative Yuan (The Congress). Though not finally enacted, it is believed to adversely affect the buying intents in the pre-construction-sale housing product market, slightly reducing the desire and volume to launch more pre-construction-sale housing products. As a natural result, the funds in the markets are likely to be shifted to completed units. Looking forward to 2022, as COVID-19 is expected to gradually calm down and the global economic boom is expected to come back to normal, the low interest rate still existent. We anticipate the housing market will stay at a pattern of "average volume with prices to soar at a slow pace."

(C) Growth Potential:

a. Housing Market

In a viewpoint of supply and demand, the number of newly completed surplus houses and houses within low-use extent will both come down. The floor spaces of houses in the first time ownership registration have not come up rapidly enough. The measures imposed by central banks the world over will come to effect in Q3. If the global inflation is eased up as expected, it will still be the right timing for potential buyers to buy a house to replace the current one. Real

property investors are advised to stay vigilant that in Taiwan market, the government policy measures are up to the final rising phase and investment into completed houses would be more practical than pre-construction-sale houses. Those high asset holders with quite a good number of real estate on hand are advised to sell in installments to gain better profits.

D. Competitive Niche

- (A) Abundant operating capital and sound credit rating.
- (B) Outstanding land development and project sales abilities.
- (C) Understanding of market demand and stringent product design.
- (D) Precise control of project quality, progress, and costs.
- (E) Outstanding management team and sound customer service.
- (F) Excellent brand image.

E. Advantageous and Disadvantageous Factors for Future Developments as well as Response Measures

The policy 2.0 on registry of the actual prices in the deals was put into official enforcement in 2021, making real estate prices increasingly transparent and, as well, making the government policy in the House & Land Tax Integration System clearer. The market conditions become more stable. Even if the economy would not rise up not as significantly as the preceding year, the year-round economy in Taiwan is bound to go upwardly at the pace of expenditures into the semiconductor industry. Judging based on the statistics revealed by the Directorate General of Budget, Accounting and Statistics (DGBAS), the sound fundamentals in Taiwan will remain continually until 2026. The annual growth rate of electronic components, information and communications as well as audio-visual products exports will, especially, rise continually in a mighty momentum. As the US-China trade confrontation continues on the other hand, a bit slowing inflow of funds into Taiwan down. Observers still estimate that the market will still maintain a high capital level. Before inflation pressure and local currency depreciation are eased up, the direction of the housing market is not expected to change significantly. While the cost of construction rises, the downward rigidity of house prices becomes stronger. There is no room for housing prices to go downward for the time being.

At the moment, the local governments continually launch construction plans and bullish news. This is quite a momentum continually toward the housing markets. In 2022, the factors toward real estate, both advantageous and disadvantageous and the countermeasures thereof are as enumerated below:

Advantageous Factors:

- (A) **In the aspect of policies --** The government authorities are believed to launch administrative actions on various occasions in succession, the real property transaction structure will go back to the dominating trends toward the buyers' markets into the buyers' own use. Such issues notably urban renewal and accelerated reconstruction of dangerous old buildings are equally dominating policies that the government has continued to carry out in 2021.
- (B) **In the aspect of capital -** Whenever a major war takes place in the world, the performance of the global stock markets would be corrected first and then pulled back before too long. That is relatively irrelevant to Taiwan's real estate market and is not likely to causes an adverse effect. In the market, capital fund holders tend to choose targets with highly assured value and stable investment return. In a relatively overheated region, nevertheless, investors are advised to stay vigilant on the potential risks.
- (C) **In the aspect of market --** The confidence in rigid demand for self-use houses and houses to replace the current ones in Taiwan is expected to grow slowly in a financial environment amidst the relatively low interest rates. In the industrial aspect, while the domestic semiconductor giants invest in Taiwan continually, the factory office demand will be linked up with the housing markets in the perimeter zones to bring up a continuous multiplication effect. Such perimeter zones with

employment population readily available, the areas with net population inflow are bound to stimulate into a promising housing market. Overall, the real estate value is hard to get depreciated.

Disadvantageous Factors:

- (A) **The adverse impact from financial control by the government** -- During 2020~2021, the government authority launched new restriction to cool real estate market down, notably added limitation on house loans. The firm resolve of the government against real property speculators was significantly visible. If the housing prices continually rise to an irrational pace, the government is believe to launch a new wave against the overheated real property market.
- (B) **Prices of land building materials raw materials soar continually** -- If land prices continue to soar, the skyrocketing land prices are absolutely an adverse impact upon the housing market. Once the government is determined to intervene with control measures, the housing market runs the risk of bubble housing market. The skyrocketing prices of building materials coupled with rising wages lead to inflation in construction related industries, triggering into a hedging mentality. The rising uncertainties worsen the COVID-19 afflicted economy. At present, it seems that the annual rise rate of Taiwan's consumer prices is within a range of 3%. If such rate rises in excess of 5% in 2022 and construction costs continue to rise, whether the housing market can pass such adverse factors elsewhere is a very key in the performance.
- (C) **The impact resulting from superpower confrontation in the international community and between two sides across Taiwan Strait** --The Ukrainian-Russian War took place in the first half of the year, critically affecting the supply of raw materials. Taiwan government also followed suit the US policy in interest rates. Those first-time buyers started to assess their affordability in the post-interest rate rise period. The US dollar is expected to continually go stronger in the second half coupled with the coexistence policy with COVID-19 adopted in more and more countries who lift lockdowns one after another. The Taiwan-US ties become increasingly friendlier. That, nevertheless, has triggered the continuous disturbance of Taiwan by the Chinese military planes, pressing Taiwan into an increasingly hard time between China and the United States. Taiwan stays in a really difficult situation. Once a sudden real conflict occurs, the Taiwan economy will undergo an immediate impact although we don't see quite a high probability. That suggests as a very key indicator of the development of the housing markets. Once a stock exchange shock comes out too severely leading to a decrease in the general wealth to all, it is not conducive to the performance of the housing market as a natural result. The general home buyers should still go back to the demand for their own use with long-term investment within their plan.

Response Measures:

The report of the Chung Hua Institution for Economic Research pointed out that the economic growth rate of Taiwan in 2021 is to be revised upward up to 6.05% in the premise that the pandemic is successfully controlled. In 2022, such rate would be raised to 3.67%. Amidst the capricious COVID-19 pandemic spread, nevertheless, Taiwan faces up to four major shortages: Lack of materials, lack of labor, lack of water and lack of containers. Amidst the urgency of global climate change, Taiwan is advised to accelerate its pace in energy transition. That means by 2022, Taiwan is likely to add a fifth shortage, lack of electricity. All these five shortages have been covered with the scope of environmental, social and corporate governance (ESG) risk management. Looking forward to 2022 amidst the unprecedented wave of inflation, property purchase is still one of the very effective solutions to hedge the impact of inflation. The green inflation is, as well, poses an impact on building planning. From green finance, we should promote enterprises to adopt the concept of environmental, social and corporate governance ESG sustainable management. The issue of carbon

reduction is extended to be covered into the green buildings, smart building concepts and other strengthened green energy and energy-saving appeal products. All these will gradually become standard essentials sooner or later.

Outlook into the real estate market in 2022 and the countermeasures:

- (A) Carefully select project locations, focus on construction quality, and enhance product competitiveness.
- (B) Short-term Strategy: As land prices remain high, insist on construction quality and service to sell at a higher price for a good brand.
- (C) Long-term Strategy: Housing prices are still likely to grow steadily in the long run, so we should focus on good products, good locations, and good planning to sell at higher prices.

2. Building Materials Business

A. Sales (supply) Areas of Main Building Materials (services)

The building materials of the Company and its subsidiaries are mainly sold to the northern region, such as Yilan, Keelung, Taipei, Taoyuan, Hsinchu, and other counties. Our products have huge transportation advantages in the northern region in terms of distance.

B. Market Share, Market Supply and Demand in the Future, and the Outlook

The overall domestic cement market demand volume in 2022 will be optimistically expected amidst the Forward-Looking Projects by the government and the return of Taiwanese entrepreneurs from their overseas investment. Besides, the rising need for in new green energy constructions, e.g., science and technology oriented offices and factories, solar energy, and wind power shall drive the growth of the cement industry. We anticipate that in 2022, the overall cement outputs shall show a stable growth trend as driven by the aforementioned factors.

C. Competitive Niche

- (A) High vertical integration of the management team with a complete system.
- (B) Product diversity.
- (C) A powerful R&D team with strong innovation and R&D capacity.
- (D) Implementation of the six sigma and IT tools including SAP and RFID.
- (E) Good reputation and National Standardization Award facilitate project undertaking.
- (F) Products comply with global specifications for design customization.
- (G) Forefront QC equipment and technology provide customers with excellent products of stable quality.

D. Favorable and Unfavorable Factors and Countermeasures for Future Development

Advantageous Factors:

- (A) High entry barriers with less competitors.
- (B) Lab certification enhances quality barriers, the first cement maker in Taiwan to implement the quality record scheme.
- (C) Segmentation from competitors with the corporate brand RT.MIX that attracts customers.
- (D) Rise of environmental protection awareness increases the use of green construction materials.
- (E) Talents from different fields, ready for vertical integration.
- (F) R&D capacity superior to that of competitors.
- (G) Provision of special technology for construction and materials with RT.MIX.
- (H) Inclusion of the CNS specifications for ready-mix mortar in the Public Works Construction Specifications to facilitate promotion.
- (I) Active pursuit of life quality and thriving travel and tourism habits in nationals.

Disadvantageous Factors:

- (A) Influence of the business cycle in the construction industry.
- (B) Influence of the fluctuation in international coal prices.
- (C) Peer competition.
- (D) Higher operating cost from the rising environmental protection awareness.
- (E) Promotion of new-typed construction materials.
- (F) Difficulty in recruitment or high turnover rate of design talents.

Response Measures:

- (A) Enhance cost control; strengthen up-, mid-, and down-stream channels; continue to cultivate the domestic market; introduce differentiated products; and secure the existing market position to achieve the total production-sales goal and thereby stabilize profit.
- (B) Apart from maintaining sound cooperation with coal suppliers, we also pay close attention to varied market information, adopt a prudent purchase strategy, and continue to reduce production costs through process and equipment improvements to reduce the impacts of rising raw material prices.
- (C) Continue to optimize and improve the cement process, strive to improve quality and enhance production efficiency; and penetrate the market of ready-mixed cement mortar to enhance product value to avoid price competitions in cement products.
- (D) Dry sand (sand drying is one of the production processes of ready-mixed cement materials) with waste heat from the cement rotary kiln to enhance energy efficiency, in order to help reduce energy consumption and enhance production efficiency.
- (E) Apart from constantly enhancing production efficiency and improving product quality to acquire competitive advantages in price, we will strengthen cooperation with existing customers, maintain the existing market with high-quality custom products, and enhance brand awareness with sound reputation to cultivate new markets.
- (F) Develop a complete framework and roadmap for talent management; engrain corporate culture; pay attention to the talent recruitment strategy and performance management process. In addition, the Company will also build a roadmap to meet the needs of job skills, and provide vertical and horizontal career and learning pathways to facilitate talent development along the planning path.

3. Retail and Wholesale Business

A. Major Markets of Retail and Wholesale Business (services):

Consumption in a department store is characterized a strong regionality. That suggests that their main consumer bases are the consumer population within the effective business regions. Some commercial districts can attract a wider range of domestic and foreign tourists into consumption in the department stores amidst special geographical conditions and commercial district characteristics. CITYLINK currently has four shopping malls located in Taipei City, so the Greater Taipei area (Taipei City and New Taipei City) is its main market. Keelung City is also included in the market (business district) because it is located in the northeast of Taipei City.

B. Market Share, Market Supply and Demand in the Future, and the Outlook:

In entire Taiwan in 2021, the department stores (including shopping malls) declined sharply in sales performance in the period from May to September amidst the impact of the pandemic. In the fourth quarter as the pandemic became eased up, the government control measures were gradually lifted step-by-step coupled with the government incentive coupons better known as Five-Fold Coupons. The total annual sales revenues came closely to NT\$330 billion. In 2021, four CITYLINK's total turnover came to approximately NT\$3.5 billion, about 1.1% share of the overall market. We hope to continually increase the market share through establishing new stores in the future.

Future Supply and Demand Situation and Growth of the Market:

(1) The aspect of supply: Taiwan's population is no longer growing. With the factors in construction of transportation facilities, the development of new communities, population movement, and the like, the number of department stores is continually on the rise, suggesting that physical channels still have considerable room to grow notwithstanding the severe impact of virtual channels. In 2021, the Universal at Taoyuan MRT A19 and Mitsui OUTLET PARK Taichung Store in Phase II were opened, demonstrating unique business characters and suggesting the very trend of Taiwan's department stores in the in the days and years ahead.

(2) Demand: Taiwan's population will see negative growth in the future. The sluggish economy, and rising wages and prices will continue to dampen consumer confidence, and has seriously affected the performance of physical department stores in recent years! In addition, the impact of e-commerce, changes in population structure, and consumption habits have caused huge changes in demand.

Fast Fashion which was extremely popular for a couple of years, has also clearly felt that the blunted consumption power and has been quite conservative to set up new stores in recent years. Therefore, it will be an important issue for shopping malls in the future to accurately understand the new trend of consumer demand.

(3) In terms of growth potential: Amidst the very premises while the consumption population does not grow and the overall environment is not upgraded, we are not in a position to hold a very optimistic prospect toward future markets. Of course, if we find the right place and the right positioning plan in the current saturated market, we can still capture market niche and growth opportunities! With the four existent shopping malls amidst our unceasing efforts for refurbishment and upgrade of quality of services, we anticipate a 5% in each and every year.

C. Competitive Niche:

(1) Location Advantages: CITYLINK currently has four shopping malls located in Taipei City, of which the Songshan Stores (No. 1 and No. 2 Stores) and Nangang Store are located in station business complexes and business and hotel complexes, so they can attract passengers, regular office collars, commuters, business travelers, etc. in addition to general customers in the commercial circle, showing a completely different consumer group from the general department store. Although Neihu is a community-based department store, it has stable consumers because its floor 2 store directly connects to the MRT.

The light rail economy is a very important trend for Taiwan's department store retailing in recent years, it is an important issue for CITYLINK to make good use of locational advantages to continually introduce more suitable products.

(2) Group's Comprehensive Effect: Ruentex Group has diversified businesses: Real estate development can provide shopping mall construction sources, construction and decoration can provide shopping mall planning and decoration, and cleaning, repair, electrical, and mechanical maintenance can guarantee the shopping mall's daily management operation, and can also support human resources, accounting, information, and so on. Additionally, because of the huge resources of the group, CITYLINK can provide better service to all consumers.

In addition, CITYLINK can also closely cooperate with other investment units in the Group to differentiate its business and marketing, making the best use of the Group's resources.

(3) Differentiation: CITYLINK's four shopping malls strive to differentiate their business by continuing to hold topic marketing activities, introducing TSUTAYA BOOKSTORE, and introducing exclusive brands.

D. Favorable Factors, Unfavorable Factors, and Countermeasures for the Business Development:

Favorable Factors

CITYLINK has earned certain brand awareness and reputation in the market, and maintains good business relations with brand manufacturers. Its four stores are located

in bustling areas and are complex commercial facilities, having inherently stable consumer groups, so its business is little affected by the change in the business district or market sentiment.

The operating performance and accumulated knowhow of the existing stores, and the manufacturer's recognition of CITYLINK's operating ability will also help attract new customers to new stores in the future. If we can speed up the opening of new stores, it will help enhance business development, cultivate talents, and improve awareness of CITYLINK in the long run.

In addition, the Group's abundant resources can also provide more support for long-term business growth.

Unfavorable Factors

- (A) Presently the market share of the four stores is too small, so its influence on brand manufacturers is not significant.
- (B) Although the existing four stores are located in bustling areas, they are not important or densely populated business districts, therefore, they are easily restricted in selecting brands.
- (C) There are not so many brands and quantities (such as cosmetics, jewelry, boutiques, etc.), so they must spend more time to communicate about store opening and attract business in the future, and it is difficult to compete with large department stores!

Response Measures:

- (A) The existing four stores should attract brands that match the store according to the business district, its own transport facilities, and the number of local office workers.
- (B) Adjusting the business type and style, introducing more purpose-oriented, higher-priced, female-oriented businesses, and exploring more partnerships to attract more quality customers, so that CITYLINK Nangang Store can become more like a shopping center.
- (C) Strengthen marketing and planning activities, store space maintenance, and service quality.
- (D) Strengthen the cultivation of human resources and reserve cadres; and aggressively open new stores to play up the brand effect.

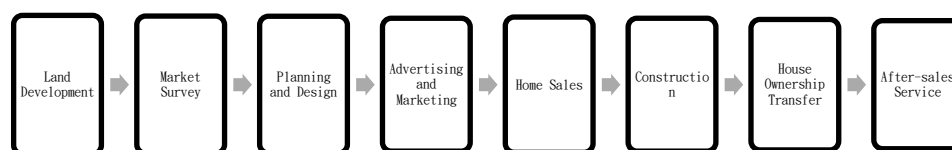
(2) Main Product Purpose and Production Process:

(1) Main Product Purpose:

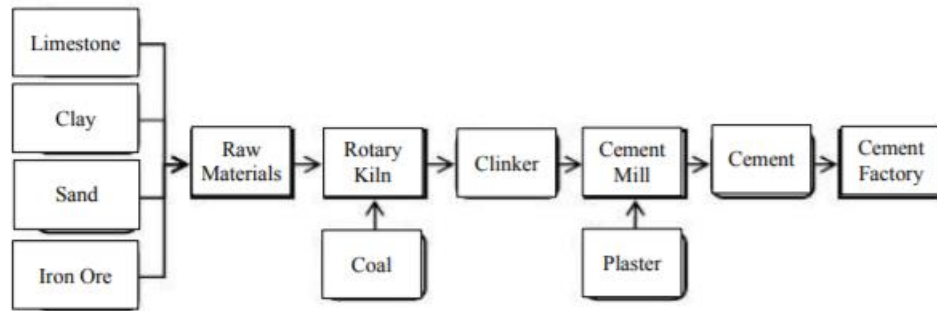
The Company's main products can be broadly divided into construction, building materials, and wholesale business categories. The construction category can be further divided into residential and commercial buildings. Residential buildings are for use by people. Commercial buildings are sold or rented for users to engage in business activities. Building materials are used for construction projects. Logistics provides a large variety of grocery, clothing, electrical appliances, and fresh goods to meet the needs of consumers.

(2) Production Process of Main Products:

A. Construction



B. Building Materials



C. Retail and Wholesale Business: No production process for wholesale business.

(3) Supply Status of Main Raw Materials:

The main raw materials for the upstream of the construction industry are land and building materials. The acquisition of land can be achieved through the sale or joint construction of private landlords, or the redevelopment of old residential communities by urban renovation procedures, and the acquisition of state-owned non-public sites through government auctions. Building materials are purchased from professional suppliers or factories.

The main raw materials in the cement industry are limestone, strontium sand, iron slag, gypsum, vermiculite powder, and artificial stone. Raw materials are from long-term reliable suppliers, so the supply of raw materials is stable, and no shortage of supply has occurred in the past.

Land, buildings, and branded suppliers are the major materials for retail and warehouse stores.

Regarding land and buildings, the major sources primarily come from large-scale land developers, financial life insurance companies, government agencies or along with a small number of private landlords; there are also a small number of department store operators who buy (rent) land to build their own land or obtain shopping mall buildings through cooperation with government units by means of BOT venture as well as superficies (surface rights) above-ground cases. Although the supply is sufficient, the location or acquisition cost are the focus of assessment.

In branded suppliers, apart from recruiting brand chains (domestic or international) in different trades from the existing department store channels, cultivating potential brands that have not set channels in department stores or introducing new brands overseas into the Taiwan market are options. As the department store business is highly competitive, each makes hard endeavor to recruit popular brands or exclusive brands (first of the kind) or introduce non-shopping experience and services. Therefore, the brand supply is also sufficient.

- (4) Customers who have accounted for more than 10% of the total sales revenue of goods in the past two years and their respective amount and proportion of the goods purchased, as well as the reasons for the increase or decrease:

1. Customers who have accounted for more than 10% of the total sales revenue of goods in the past two years and their respective amount and proportion of the goods purchased:

Expressed in Thousand New Taiwan Dollars, %

Item	2020				2021				The 1 st quarter, 2022 (Note 3)			
	Title	Amount	Percentage of Net Annual Sales Revenue (%)	Relationship With the Seller	Title	Amount	Percentage of Net Annual Sales Revenue (%)	Relationship With the Seller	Title	Amount	Percentage of Net Annual Sales Revenue (%)	Relationship With the Seller
1	Others	15,145,020	100	—	Others	21,563,935	70	—	Others	—	—	—
	Net Purchase Amount	15,145,020	100		Net Purchase Amount	21,563,935	70		Net Purchase Amount	—	—	

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

Note 2: As of the date of release of the Annual Report, the companies that have been listed or whose shares have been traded in the securities firms' business outlets should disclose the latest financial information that have been audited or reviewed by an accountant.

Note 3: As of the publication date of the Annual Report, the certified public accountant attested financial statements for the 1st quarter, 2022 were still unavailable.

The information related to major suppliers in the past two years is provided as below:

Regarding suppliers who have accounted for more than 10% purchase amount of the Company and its subsidiaries in the past two years, the reasons for the increase or decrease are subject to different cases. Generally speaking, changes in major suppliers are due to the progress of contracted cases and the size of the cases.

2. Customers who have accounted for more than 10% of total sales revenue in the past two years and their respective amount and proportion:

Expressed in Thousand New Taiwan Dollars, %

Item	2020				2021				The 1 st quarter, 2022 (Note 3)			
	Title	Amount	Percentage of Net Annual Sales Revenue (%)	Relationship With the Seller	Title	Amount	Percentage of Net Annual Sales Revenue (%)	Relationship With the Seller	Title	Amount	Percentage of Net Annual Sales Revenue (%)	Relationship With the Seller
1	Company T			Non Related-party	Company T	2,972,984	10.89	Non Related-party		—	—	—
2	Others	19,084,589	100	—	Others	24,320,990	89.11	—	Others	—	—	—
	Net Sales Revenue	19,084,589	100		Net Sales Revenue	19,084,589	100		Net Sales Revenue	—	—	

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

Note 2: As of the date of release of the Annual Report, the companies that have been listed or whose shares have been traded in the securities firms' business outlets should disclose the latest financial information that have been audited or reviewed by an accountant.

Note 3: As of the publication date of the Annual Report, the certified public accountant attested financial statements for the 1st quarter, 2022 were still unavailable.

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

Regarding customers who have accounted for more than 10% sales revenue of the Company and its subsidiaries in the past two years, the reasons for the increase or decrease are subject to different cases. Generally speaking, changes in major customers are due to the progress of contracted cases and the size of the cases.

(5) Production Value in the Last Two Years:

Unit: Production

Volume: Unit/Production Value: NTD thousand

Production Department	Year	2020			2021		
		Productivity	Production Volume	Production Value	Productivity	Production Volume	Production Value
Construction Business Department		—	210	10,969,991	—	214	17,144,149
Commercial Real Property		—	—	1,015,335	—		1,141,264
Building Materials Division		—	—	2,038,695	—		2,282,392
Wholesale Business Department		—	—	789,946	—		780,021
Other Operation Divisions		—	—	331,053	—		216,109
Total		—	210	15,145,020	—		21,563,935

Note:

- (1) Capacity refers to the production volume that the Company achieves by using existing production equipment under normal operation conditions after taking into account necessary shutdowns, holidays, and other factors.
- (2) If the production of each product has alternatives, the capacity should be aggregated, and notes should be provided.
- (3) Production is calculated based on the number of contracted houses in the production year (the co-construction part is based on the number of allocated houses). However, production volume is not applicable to the construction industry, so the production value is calculated based on the cost of goods sold in the current year.

(6) Sales Volume in the Past Two Years:

Unit: Sales Volume: Unit/Sales Value:

NTD thousand

Sales Value Department	Year	2020				2021			
		Domestic Sales		Exports		Domestic Sales		Exports	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Construction Business Department		308	13,454,345	—	—	201	21,513,551	—	—
Commercial Real Property		—	1,803,388				1,798,552		
Building Materials Division		—	2,299,690	—	—		2,479,465	—	—
Wholesale Business Department		—	1,054,565	—	—		1,053,093	—	—
Other Operation Divisions		—	472,601	—	—		449,223	—	—
Total		308	19,084,589	—	—	201	27,293,884	—	—

Note (1): Description on calculation of sales volume.

- A. The number of unfinished cases refers to the number of in pre-construction sale houses between project launch and project completion.
- B. The number of cases after completion refers to the number of houses that have been actually sold.
- C. The sales volume is not applicable to the construction industry due to its special industry feature.

- (2) The sales value uses the operating revenue in the current year.

III. Employees:

Employee information in the past two years and by the date of annual report publication.

Year		2020	2021	2022 As of April 30
Number of Employees*	Construction Business Department	994	1,064	1,074
	Building Materials Division	387	410	413
	Wholesale Business Department	197	193	201
	Other Operation Division	803	811	796
	Total	2,381	2,478	2,484
Average ages		43.92	42.77	43.19
Average Service Years		6.84	6.79	6.98
Education Distribution Ratio	Doctorate	0.66%	0.55%	0.55%
	Master's	8.06%	8.34%	8.40%
	Diploma	48.61%	49.81%	49.58%
	High School and Below	42.67%	41.30%	41.38%
*Excluding part-time employees.				

IV. Environmental Expenditure Information

Any losses or fines incurred (including compensations and violations of environmental protection laws found in environmental audits with information regarding the date of punishment, ticket number, regulations breached, contents of breach, and contents of punishment) due to pollution in the last year and by the date of annual report publication, and disclose the estimated amount at present and in the future and countermeasures, or the method for estimating losses that cannot be estimated, if any):

(I) Total amount of losses and fines of subsidiaries from environmental pollution in the previous year and by the date of annual report publication:

Type	Punishment Date	Document No.	Regulation	Contents of Regulation	Contents of Punishment
Air	November 12, 2021	Huan-Kung-Zi 1100036432	In violation of Paragraph 1, Article 20 of Air Pollution Control Act, Paragraph 1, Article 62 of the same Act.	In excess of the criteria for air pollutant emission	A fine of NT\$100,000.
Waste	2021/04/09	Fei-Zi 40-110-040007	In violation of Paragraph 2, Article 27 of Waste Disposal Act	Polluting the neighboring road.	A penalty amounting to NT\$2,400.
	2021/04/21	Fei-Zi 41-110-051444	In violation of Paragraph 2, Article 27 of Waste Disposal Act	Polluting the neighboring road.	A fine of NT\$1,200.
	2021/08/11	Fei-Zi 40-110-080016	In violation of Paragraph 2, Article 27 of Waste Disposal Act	Polluting the neighboring road.	A penalty amounting to NT\$3,600
	2021/08/30	40-111-020008	In violation of Paragraph 2, Article 39 of Waste Disposal Act	Dumping of waste from construction works	A fine of NT\$6,000
	2021/08/30	40-111-020007	In violation of Paragraph 21 Article 36 of Waste Disposal Act	Dumping of waste from construction works	A fine of NT\$6,000
	2021/11/16	Ping-Huan-Cha-Fei-Chu-Zi 110083	In violation of Subparagraph 1,	Failure to comply with the requirements for storage of	A fine of NT\$12,000.

Type	Punishment Date	Document No.	Regulation	Contents of Regulation	Contents of Punishment
			Paragraph 1, Article 31 of Waste Disposal Act; Articles 52 and 63~1 of the same Act.	waste.	
	2021/12/06	Fei-Zi 40-110-120006	In violation of Paragraph 2, Article 27 of Waste Disposal Act	Polluting the neighboring road.	A fine of NT\$4,800.
	2021/12/23	Huan-She 1100041921	In violation of Paragraph 1, Article 39 of Waste Disposal Act and Article 52 of the same Act.	Failure to reuse industrial waste in accordance with the specified provisions	A fine of NT\$6,000
Noise	2021/04/08	Yin-Zi 22-110-040018	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	No use of powered machinery in night-time construction activities.	A fine of NT\$3,000
	2021/04/13	Yin-Zi 22-110-040068	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act	Noise exceeds the standards	A fine of NT\$18,000.
	2021/06/23	Xin-Bei-Gong-Shih-Zi 1101186343	In violation of Article 39 of Building Act	Disturbing public with the construction noise	A fine of NT\$9,000
	2021/06/28	Yin-Zi 22-110-050101	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	No use of powered machinery in night-time construction activities.	A fine of NT\$3,000
	2021/07/05	Xin-Bei-Gong-Shih-Zi 1101247556	In violation of Article 39 of Building Act	Disturbing public with the construction noise	A fine of NT\$9,000
	2021/07/06	Yin-Zi 22-110-070032	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	No use of powered machinery in night-time construction activities.	A fine of NT\$3,000
	2021/07/13	Xin-Bei-Gong-Shih-Zi 1101304591	In violation of Article 39 of Building Act	Disturbing public with the construction noise	A fine of NT\$9,000
	2021/08/04	Yin-Zi 22-110-080027	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act	Noise exceeds the standards	A fine of NT\$36,000.
	2021/08/06	Yin-Zi 22-110-080047	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act	Noise exceeds the standards	A fine of NT\$18,000.
	2021/08/11	Yin-Zi 22-110-080087	In violation of Paragraph 1, Article 9 of Noise Control Standard Act	Noise exceeds the standards	A fine of NT\$18,000.
	2021/08/19	Yin-Zi 22-110-080099	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	No use of powered machinery in night-time construction activities.	A fine of NT\$3,000
	2021/09/06	Yin-Zi 22-110-090045	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act	Noise exceeds the standards	A fine of NT\$36,000.
	2021/09/06	Yin-Zi 22-110-090045	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control	Noise exceeds the standards	A fine of NT\$36,000.

Type	Punishment Date	Document No.	Regulation	Contents of Regulation	Contents of Punishment
			Standard Act		
	2021/09/16	Yin-Zi 22-110-090079	In violation of Paragraph 1, Article 9 of Noise Control Standard Act	Noise exceeds the standards	A fine of NT\$72,000.
	2021/09/16	Yin-Zi 22-110-090074	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act	Noise exceeds the standards	A fine of NT\$18,000.
	2022/01/12	Kao-Shih-Huan-Ju-Zao-Chu-Zi 22-111-010052	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	No use of powered machinery in night-time construction activities.	A fine of NT\$3,000
	2022/02/17	Yin-Zi 22-111-020157	In violation of Subparagraph 4, Paragraph 1, Article 9 of Noise Control Standard Act	Noise exceeds the standards	A fine of NT\$72,000.
	2022/02/25	Xin-Bei-Huan-Chi-Zi 22-111-021175	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	No use of powered machinery in night-time construction activities.	A fine of NT\$3,000
	2022/03/01	Xin-Bei-Gong-Shih-Zi 1110355122	In violation of Article 39 of Building Act	Disturbing public with the construction noise	A fine of NT\$9,000
	2022/03/15	Xin-Bei-Gong-Shih-Zi 1110446993	In violation of Article 39 of Building Act	Disturbing public with the construction noise	A fine of NT\$9,000
	2022/03/18	Kao-Shih-Huan-Ju-Zao-Chu-Zi 22-111-030116	In violation of Paragraph 4, Article 8 of Noise Control Standard Act	No use of powered machinery in night-time construction activities.	A fine of NT\$3,000

(II) Estimated amounts that may occurred at present and in the future and countermeasures:

Construction Projects: In response to the abovementioned losses arising out of environmental pollution, we will strengthen environmental education and training, environmental awareness, educate employees to appropriately maintain site hygiene, and regularly send employees to participate in various seminars organized by the municipal government.

Yilan Factory: It has violated air pollutant discharge standards for fixed pollution sources in public and private places. We have improved dust collection efficiency for the clinker EP (electrostatic precipitator). It also violated the regulations for the effective monitoring frequency percentage of monitoring facilities each quarter. We have increased the effective monitoring frequency percentage to more than 85 percent, and the pollution situation has been improved. There are no possible losses, fines, and compensation in the future.

V. Labor relationship

- (1) The Company's various employee welfare measures, further education, training, retirement system, and their implementation, as well as labor-management agreements and the measures to maintain the rights and interests of employees:

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

1. Employee benefits

[Health Checkup]

We value the physical health of employees. Therefore, we arrange periodic health checkups for employees better than the regulatory requirements. All permanent employees (director labor) regardless of age receive two health checkups every year. In

addition to the results and recommendations of the current checkup, traces of individual indicators in previous checkups are presented in curves for employees to understand the health status at present and the health trend in the last five checkups. By doing so, we aim to facilitate early detection of health anomalies for early intervention, including lifestyle adjustments and treatments. In addition, apart from funding the general checkup items, we arrange self-financed further checkup items and discounts for dependent checkup to provide employees with more options and take care of their family at the same time.

To encourage higher-level employees to pay attention to physical health, we arrange personalized advanced checkups for managers and above aged 40 and older. Apart from the advanced checkup, VPs and higher officers can participate in the annual member healthcare service. Currently, we fund 75% of the fee for advanced checkups and healthcare service.

[Group Insurance]

To maximize our care for employees and the financial support for employees after an accident, apart from the mandatory Labor Insurance and National Health Insurance, we proactively arrange the group life insurance for all permanent employees after their arrivals. We also provide the group medical plan for the spouse and children of employees. Besides funding the full amount of the group insurance premium, we offer discounts for self-financed insurance for permanent employees and their spouse, children, and parents to provide more options and protection for the family of employees after an accident.

[Daily Life Talks]

From time to time we invite medical, insurance, and financial professionals to give talks on popular topics and topics that interest employees. These talks for voluntary participation are organized to provide employees with more channels for direct exchange with experts to learn new knowledge and correct concepts in health care, accident prevention and handling, and financial management.

[Other Benefits]

We have established an employee (staff) welfare committee and a labor union and provide employees with allowances for marriage, birth, funerals, hospitalization, injuries, and disabilities. We also distribute vouchers to employees on Spring Festival, Labor Day, Dragon Festival, Mid-Autumn Festival, and birthday; and fund employee travels and departmental reunions and recreational activities. In addition, all employees can enjoy a staff discount when shopping at the CITILINK malls and TSUTAYA BOOKSTORE run by this Company.

We are highly concerned about the interaction by and among our staff members, their families with our Company in the hope that through mutual understanding, colleagues and their families will be more aware of the Company's situation and in turn, we wholeheartedly support the staff members in their development with the Company. In 2019, on the trial basis, we sponsored new employee tourism system and family day activities.

2. Employee further education and training: Every year we plan a training budget for employees to improve their professional skills, leadership, and career development. We also encourage them to actively improve their knowledge, participate in external training courses, and actively participate in further education.
3. Retirement system: A monthly pension reserve is contributed according to the Labor Standards Law, and employees are free to choose to retire according to the Labor Pension Regulations (new system). The monthly pension is contributed to the labor pension personal account set up by the Labor Insurance Bureau.
4. The Company's labor policy is founded upon the principle of open communication to create a win-win situation for the Company and employees through the following measures:
 - (1) Comply with the Labor Standards Act and related laws and regulations for the maximum protection of the rights and interests of employees.
 - (2) Provide unfettered and diverse communication channels for employees to freely express their opinion.
 - (3) Fully communicate the Company's operating conditions and major measures for

employees can clearly understand them.

- (II) Losses arising from labor-management disputes (including the violation of the Labor Standards Act found in the labor inspection) in the most recent year and by the date of annual report publication; and disclose the estimated amounts that may occurred at present and in the future and countermeasures. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

1. Nonconformities found in labor inspections of this Company and subsidiaries in the previous year and by the date of annual report publication: None.

2. Future countermeasures and potential expenses:

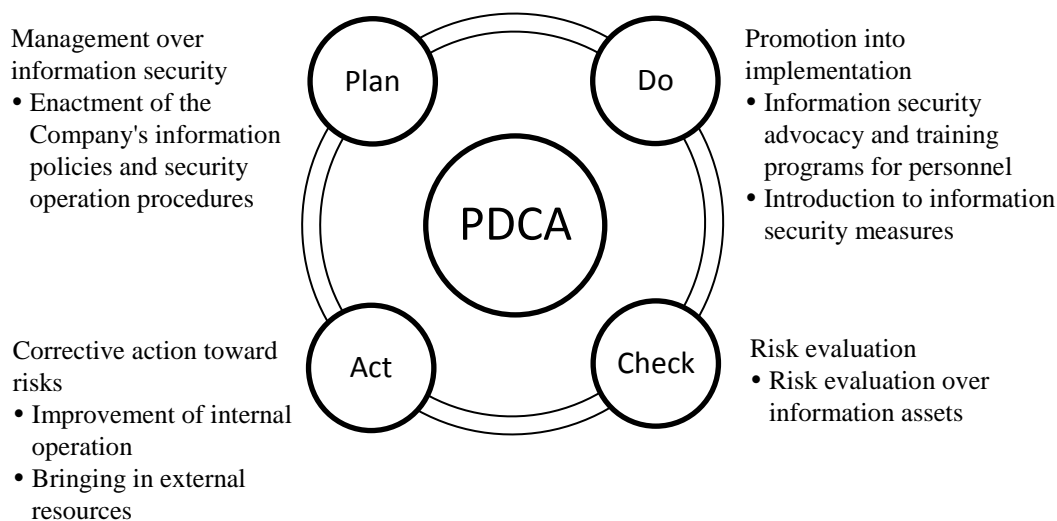
Since this Company was established, labor-management harmony has been maintained to achieve the corporations in collaboration with employees. Therefore, no loss from labor-management disputes has been reported recently, and there will be no damage from labor-management dispute in the future.

VI. Management over information security

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

1, The framework over information security,

Primarily we adopt PDCA (Plan-Do-Check-Act) mode in circulation management to assure successful accomplishment of the targets with unceasing efforts for improvement.



2. Information security policies

The Company's control efforts over information security include three aspects as enumerated below:

- (1) System specifications: Enactment of the Company information security managerial system to regulate the behaviors of personnel concerned.
- (2) Hardware setup: Setup of information security managerial system to implement thoroughly information security management measures.
- (3) Training programs for personnel: Periodical sponsoring information security related educational & training programs to upgrade the entire staff's awareness of information security.

3. Managerial measures over information security

- (1) System specifications: Internally, the Company duly enacts information security specifications and system to regulate the information security behaviors of the

Company's personnel. On a regular basis annually, the Company checks and makes sure whether the relevant systems are consistent with laws and ordinances concerned and changes in the operating ambiance with adjustment in real time as necessary.

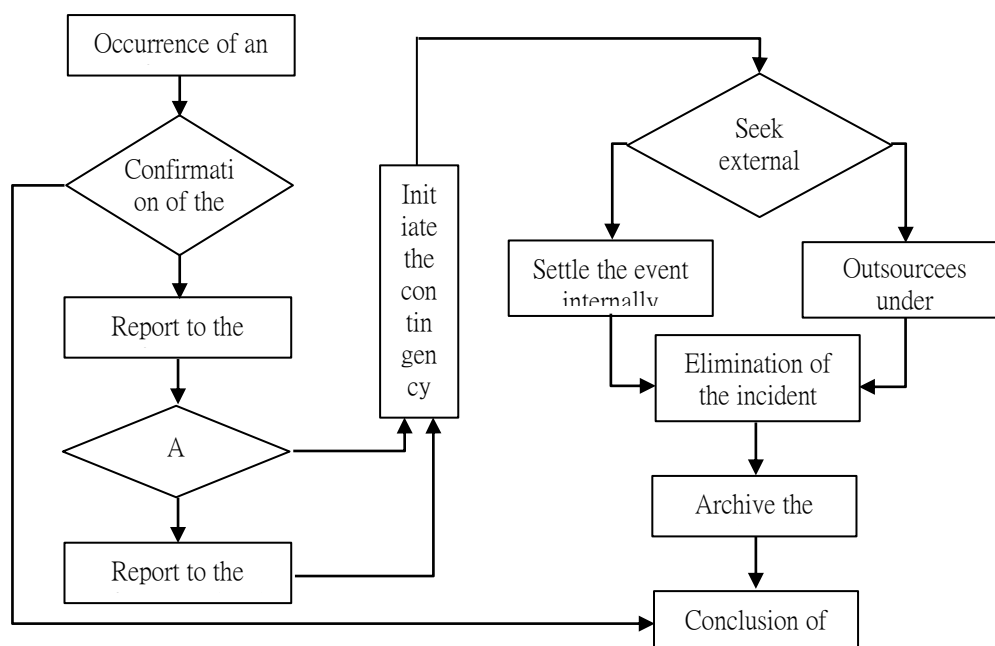
- (2) Hardware setup: In an attempt to prevent a variety of potential threat against information security externally.
- (3) Training programs for personnel: Here at the Company, we provide information security educational & training programs in each and every year. The entire staff members shall participate in the aforementioned educational & training programs once per annum as the minimum. Where an employee is unavailable to participate in the educational & training programs due to duty, the Company additionally provide online training programs course so as to upgrade the internal personnel in their professional skills on information security. Where an employee who has not completed the aforementioned annual information security programs through either physical or online courses, the Information Office and the Management Department will trace under control program and put the fact into the annual performance evaluation.

4. The current information security related implementation measures are as enumerated below:

Item	Concrete method in management:
Firewall protection	<ul style="list-style-type: none"> • Firewall setup online regulations • Extra online application to open firewall in case of an extraordinary online requirement • Monitoring analysis on the firewall data report
Control over user surfing of Internal	<ul style="list-style-type: none"> • The act to use automatic website protection system control over the Internet surfing • Automatically filter users' Internet access to websites that may be linked to Trojans, ransomware or malicious program website
Antivirus software	<ul style="list-style-type: none"> • Use a variety of antivirus software to automatically update the virus pattern to minimize the chance of virus infection.
Operating system update	<ul style="list-style-type: none"> • The operating system is automatically updated. Whenever not updated for any reason, they will assist in updating.
E-mail security control	<ul style="list-style-type: none"> • There is automatic email scanning threat protection system which prevents unsafe attachment files, phishing emails, spam emails. It expands the protection range against malicious links before a user receives emails. • After a personal computer receives an e-mail, the antivirus software scans it for any unsafe files attached.
Website protection mechanism	<ul style="list-style-type: none"> • The website is equipped with a firewall device to block external network attacks.
Information backup mechanism	<ul style="list-style-type: none"> • All key information system databases are set up with daily integral backups and hourly differential backups.
Offsite storage	<ul style="list-style-type: none"> • The server and the backup files as well as various information systems are stored separately in a bank.
All important files are uploaded to the server.	<ul style="list-style-type: none"> • All important files of each and every department in the Company are uploaded to the server and stored over there and the Information Department will back up and store the same in package.
Table of the Information Center as the records of inspection	<ul style="list-style-type: none"> • Table of the Information Center as the records of inspection including the temperature and humidity of the computer room, data backup, antivirus software update, network flow volume and other records.

5. Procedures to report an information security related event

Here at the Company, an information security related event shall be reported through the procedures as enumerated below. The report and settlement of an information security related incident is handled exactly in accordance with the specifications set forth under the said procedures.



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

1. The impairment incurred by a significant information security event to the Company and its Subsidiary(ies) in the most recent year as of the publication date of the Annual Report: Nil.

2. The potential impact and the countermeasures:

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

VII. Major contracts. As of the publication date of the Annual Report, we have stored key contracts with itemized statements which have been effectively existent.

Contractual Nature	Parties	Effective & Ending Dates of Contracts	Major contents	Restrictions
Engineering Contracts	Ruentex Precision Engineering Co., Ltd.	2019 - 2022 2019 - 2022 2019 - 2022 2020 -2023 2019 - 2022 2020-2023 2020-2022 2020-2023	Sanchong Metro 6 Case Ruentex Dingfeng Ruentex Wenhua Ruentex Daan Fuyang (Formerly Wolung Street Haisha Urban Renewal) Ruentex Xinyi (Formerly Lihe Section Office Urban Renewal) Sanchong Wuguwang A Sanghong Wuguwang B Ruentex Yangbei	Nil

Contractual Nature	Parties	Effective & Ending Dates of Contracts	Major contents	Restrictions
Lease Contract	PRESICARRE CORPORATION	Contract signed on 2003/5/15, the lease period has passed 20 years since it was notarized.	Real estate lease contract (underground floor 1 and 2 of New World, Taipei), the rent was collected in two phases, the rent of phase 1 was collected when the contract was signed, and rent of phase 2 was collected on 2004/1/1.	Nil
Management Entrustment Contract	Ruen Fu Newlife Corp.	2016/7/1 ~ 2036/6/30 (Renew on expiry date)	The Company and Ruentex Industries jointly entrusted Runfu to manage the elderly residential building of Ruen Fu, Tamsui, and signed a management entrustment contract. The related expenses were shared by the Company and Ruentex Industries in terms of 60% and 40% shareholding, the contract is described below: 1. Management Fee: Refers to maintenance of facilities and living service administrative cost of the elderly, paid by the Company according to the contract. 2. Commission Expenses: 4% rent of the rental household.	Management Entrustment Contract
Authorized Operating Contract	RT-MART International Co., Ltd.	2004/12 ~ 2024/12	Logistics Division Authorized Operation Contract (Zhonglun Store) The Company has signed an authorized operation contract and entrustment management and procurement contract related to the Zhonglun wholesale store with RT-Mart. The latter is responsible for providing services related to the establishment, operation, and maintenance of the wholesale store. The contract is detailed as follows: 1. During the contract period, namely 2004/8 to 2009/12, both parties have reached a consensus to extend the contract for 10 years. An agreement to extend the contract to 2024/12 was signed in 2019/12. 2. Remuneration for procurement and management services: Calculated at 1% of the monthly revenue before tax of the Zhonglun Store.	During the contract period, if the Company intends to sell, lease, or otherwise dispose of the assets or business of the wholesale store, it shall propose in writing to sell, rent, or transfer the same to RT-Mart at the agreed price. If RT-Mart fails to notify the Company of its willingness to accept it within 60 days of receiving the proposal, the Company may lease, sell, or otherwise dispose of the store assets or business to a third party.
Long-term Loan Contract	Bank of Taiwan	2021/10/21-2024/9/17	Mortgage Loan	Share certificates and guaranteed notes NT\$ 7.3 billion
Long-term Loan Contract	Chang Hwa Bank	2021/6/26-2023/6/30	Mortgage Loan	Properties pending for sale, stocks, credit contracts: NT\$3.5 billion and Acknowledgement of Loan (IOU) NT\$4.9 billion
Long-term Loan Contract	Mega Financial Holding	2021/6/1-2023/5/31	Mortgage Loan	Stock and guaranteed notes of NT\$ 3,000,000 thousand.

Contractual Nature	Parties	Effective & Ending Dates of Contracts	Major contents	Restrictions
Long-term Loan Contract	Hua Nan Commercial Bank	2020/9/30-2025/9/30	Mortgage Loan	Buildings under construction and credit agreement NT\$1.49 billion
Long-term Loan Contract	DBS Bank	2020/9/23-2023/9/30	Mortgage Loan	Real property pending for sale and guarantee notes NT\$2 billion
Long-term Loan Contract	Taishin International Bank	2021/5/21-2023/5/21	Mortgage Loan	Stock and guaranteed notes of NT\$1.5 billion
Long-term Loan Contract	KGI Commercial Bank	2020/10/12-2027/12/10	Mortgage Loan	Payment for land in advance and
Long-term Loan Contract	First Bank	2021/3/2-2023/3/2	Mortgage Loan	Share certificates and IOUs NT\$1.4 billion
Long-term Loan Contract	Mizuho Bank	2021/1.15-2023/1.15	Credit Loan	Issued a guarantee check of NT\$9 billion
Long-term Loan Contract	Bank of China	2021/3.20-2023/3.19	Credit Loan	Guaranteed notes NT\$1.2 billion
Long-term Loan Contract	Mega Financial Holding	2021/6.01-2023/5.31	Credit Loan	Open guaranteed note of NT\$ 4,500,000 thousand.
Long-term Loan Contract	Taishin Bank	2020/8/13-2023/8/13	Credit Loan	Open guaranteed note of NT\$ 1,000,000 thousand.
Long-term Loan Contract	Hwatai Bank	2021/12/16-2022/7/31	Credit Loan	Guarantee notes issued: NT\$100 million
Long-term Loan Contract	Taiwan Cooperative Bank	2021/9/16-2023/9/16	Credit Loan	Receipts of loans (IOU): NT\$5 million
Long-term Loan Contract	DBS Bank	2021/9/30-2023/3/11	Credit Loan	Open guaranteed note of NT\$ 1 billion
Long-term Loan Contract	Bank of Taiwan	2019/9/10-2022/9/9	Credit Loan	Open guaranteed note of NT\$ 2, billion.
Long-term Loan Contract	National Agricultural Treasury	2021/8/16-2023/8/16	Credit Loan	Open guaranteed note of NT\$ 1,000,000 thousand.
Long-term Loan Contract	Bank of East Asia	2021/3/11-2023/3/11	Credit Loan	Open guaranteed note of NT\$6 million
Long-term Loan Contract	First Bank	2021/3/2-2023/6/22	Credit Loan	Guarantee notes issued: NT\$6.6 million and receipts of loans (IOU): NT\$1 billion
Long-term Loan Contract	Chang Hwa Bank	2021/6/30-2024/6/30	Credit Loan	Loan agreements issued: NT\$1 billion
Long-term Loan Contract	Bank SinoPac	2021/8/10-2024/8/9	Credit Loan	Open guaranteed note of NT\$ 1,000,000 thousand.

Contractual Nature	Parties	Effective & Ending Dates of Contracts	Major contents	Restrictions
Long-term Loan Contract	Mega bills syndicated loan	2020/12/11-2023/12/4	Credit Loan	Issued a guarantee check of NT\$2.45 billion

Six. Financial Overview

I · Condensed Balance Sheet, Consolidated Income Statement for the Last Five Years

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

(1) Condensed Statement of Financial Position (consolidated) Expressed in Thousand New Taiwan Dollars

Item	Year	Financial Information for the Last Five Years (Note 1)					The current year as of 2022/3/31 (Note 3)
		2017/12/31	2018/12/31	2019/12/31	2020/12/31	2021/12/31	
Current Assets		44,569,589	34,920,927	37,813,596	39,202,599	47,464,148	-
Property, plant, and equipment		4,008,905	4,105,951	4,430,532	4,831,865	4,814,387	-
Intangible Assets		220,222	224,106	244,424	253,971	191,469	-
Others Assets		55,358,038	47,069,542	107,643,995	142,100,940	139,310,363	-
Total Assets		104,156,754	86,320,526	150,132,544	186,389,375	191,780,367	-
Current Liabilities	Before Distribution	31,638,228	13,413,364	20,331,180	24,848,429	23,692,868	-
	After Distribution	34,982,408	15,419,872	21,334,434	26,353,310	(Note 2)	-
Non-current liabilities		19,869,867	37,628,148	44,409,084	42,575,595	44,982,947	-
Total liability	Before Distribution	51,508,095	51,041,512	64,740,264	67,424,024	68,675,815	-
	After Distribution	54,852,275	53,048,020	65,743,518	68,928,905	(Note 2)	-
Equity attributed to owners of the parent		48,476,761	30,896,333	80,892,817	114,244,330	116,862,034	-
Share Capital	Before Distribution	16,720,900	10,032,540	10,032,540	15,048,810	21,068,334	-
	After Distribution	16,720,900	10,032,540	15,048,810	21,068,334	(Note 2)	-
Capital reserve	Before Distribution	17,986,504	18,013,510	18,136,402	18,147,191	18,160,798	-
	After Distribution	17,986,504	18,013,510	18,136,402	18,147,191	(Note 2)	-
Retained earnings	Before Distribution	32,270,815	35,346,581	39,901,502	42,340,836	51,255,990	-
	After Distribution	28,926,635	33,340,073	33,881,978	34,816,431	(Note 2)	-
Other Equities		(18,396,258)	(32,411,659)	12,907,012	38,792,132	26,461,551	-
Treasury stock		(105,200)	(84,639)	(84,639)	(84,639)	(84,639)	-
Non-controlling Interest		4,171,898	4,382,681	4,499,463	4,721,021	6,242,518	-
Total Equity	Before Distribution	52,648,659	35,279,014	85,392,280	118,965,351	123,104,552	-
	After Distribution	49,304,479	33,272,506	84,389,026	117,460,470	(Note 2)	-

Note 1: The aforementioned data have been officially attested by the certified public accountants

Note 2 : In terms of distribution of the Company's earnings of 2021, pursuant to the Articles of Incorporation and laws and ordinances concerned, it is proposed that the Company would distribute cash dividend in a total of NT\$4,213,666,794 (@NT\$2 per share) and stock dividend in a total of NT\$10,534,166,980 (@NT\$5 per share) : The aforementioned issues shall be, after being resolved in the Board of Directors, be submitted to and resolved in the regular meeting of shareholders of 2022.

Note 3: The financial statements attested by the certified public accountants for the 1st quarter, 2022 were unavailable as of the publication date of the Annual Report.

(2) Condensed Statement of Financial Position (individual)

Expressed in Thousand New Taiwan Dollars

Expressed in Thousand New Taiwan Dollars

Item \ Year		Financial Information for the Last Five Years (Note 1)					The current year as of 2022/3/31 (Note 3)
		2017/12/31	2018/12/31	2019/12/31	2020/12/31	2021/12/31	
Current Assets		37,019,104	26,284,402	27,363,790	27,740,157	31,529,185	-
Property, plant, and equipment		41,384	33,656	45,924	136,603	164,269	-
Intangible Assets		—	—	—	—	—	-
Others Assets		46,681,118	39,291,236	91,136,183	126,236,430	125,483,653	-
Total Assets		83,741,606	65,609,294	118,545,897	154,113,190	157,177,107	-
Current Liabilities	Before Distribution	27,462,817	9,666,894	14,342,350	16,247,520	12,891,752	-
	After Distribution	30,806,997	11,673,402	15,345,604	17,752,401	(Note 2)	-
Non-current liabilities		7,802,028	25,046,067	23,310,730	23,621,340	27,423,321	-
Total liability	Before Distribution	35,264,845	34,712,961	37,653,080	39,868,860	40,315,073	-
	After Distribution	38,609,025	36,719,469	38,656,334	41,373,741	(Note 2)	-
Equity attributed to owners of the parent		48,476,761	30,896,333	80,892,817	114,244,330	116,862,034	-
Share Capital	Before Distribution	16,720,900	10,032,540	10,032,540	15,048,810	21,068,334	-
	After Distribution	16,720,900	10,032,540	15,048,810	21,068,334	(Note 2)	-
Capital reserve	Before Distribution	17,986,504	18,013,510	18,136,402	18,147,191	18,160,798	-
	After Distribution	17,986,504	18,013,510	18,136,402	18,147,191	(Note 2)	-
Retained earnings	Before Distribution	32,270,815	35,346,581	39,901,502	42,340,836	51,255,990	-
	After Distribution	28,926,635	33,340,073	33,881,978	34,816,431	(Note 2)	-
Other Equities		(18,396,258)	(32,411,659)	12,907,012	38,792,132	26,461,551	-
Treasury stock		(105,200)	(84,639)	(84,639)	(84,639)	(84,639)	-
Non-controlling Interest		—	—	—	—	—	-
Total Equity	Before Distribution	48,476,761	30,896,333	80,892,817	114,244,330	116,862,034	-
	After Distribution	45,132,581	28,889,825	79,889,563	112,739,449	(Note 2)	-

Note 1: The aforementioned data have been officially attested by the certified public accountants

Note 2 : In terms of distribution of the Company's earnings of 2021, pursuant to the Articles of Incorporation and laws and ordinances concerned, it is proposed that the Company would distribute cash dividend in a total of NT\$4,213,666,794 (@NT\$2 per share) and stock dividend in a total of NT\$10,534,166,980 (@NT\$5 per share) ; The aforementioned issues shall be, after being resolved in the Board of Directors, be submitted to and resolved in the regular meeting of shareholders of 2022.

Note 3: The financial statements attested by the certified public accountants for the 1st quarter, 2022 were unavailable as of the publication date of the Annual Report.

(3) Statement of Comprehensive Income (consolidated)

Expressed in Thousand New Taiwan Dollars; EPS: NTD

Expressed in Thousand New Taiwan Dollars, T\$; NT\$

Item \ Year	Financial Information for the Last Five Years (Note 1)					The current year as of 2022/3/31
	2017	2018	2019	2020	2021	
Operation income	10,912,476	14,859,430	17,257,930	19,084,589	27,293,884	-
Gross profit	2,677,666	3,687,080	3,612,035	3,939,569	5,729,949	-
Operating Income	1,035,041	1,970,099	1,899,243	2,085,007	3,596,850	-
Non-operating Income and Expenses	12,985,933	10,316,086	8,111,225	8,693,455	14,367,824	-
Net profit before tax	14,020,974	12,286,185	10,010,468	10,778,462	17,964,674	-

Item \ Year	Financial Information for the Last Five Years (Note 1)					The current year as of 2022/3/31
	2017	2018	2019	2020	2021	
Net profit for the period of the continued business unit	11,510,258	10,447,180	9,586,119	9,275,392	17,490,688	-
Profit (Loss) of Suspension Business	(171)	-	-	-	-	-
Net income of current period	11,510,087	10,447,180	9,586,119	9,275,392	17,490,688	-
Other Comprehensive Income (Net Profit After Taxes)	4,760,767	(36,707,759)	42,520,688	25,746,073	(11,403,700)	-
Total Comprehensive Income Current Period	16,270,854	(26,260,579)	52,106,807	35,021,465	6,086,988	-
Profit Attributable to Owners of the Parent	11,164,638	9,932,094	9,067,952	8,557,651	16,242,546	-
Profit Attributable to Non-controlling Interest	345,449	515,086	518,167	717,741	1,248,142	-
Total Profit and Loss Attributable to the Parent Company's Owners	16,030,671	(26,771,376)	51,706,025	34,343,978	4,105,400	-
Total comprehensive income attributed to non-controlling interest	240,183	510,797	400,782	677,487	1,981,588	-
Earnings per share	5.48	4.88		4.20	7.98	-

Note 1: The aforementioned data have been officially attested by the certified public accountants

Note 2: As of the publication date of the annual report, there is no financial information for the first quarter of 2022 that has been reviewed by accountants.

(4) Statement of Comprehensive Income (individual)

Expressed in Thousand New Taiwan Dollars; EPS: NTD

Item \ Year	Financial information as of the last five (5) years (Note 1)					The current year as of 2022/3/31
	2017	2018	2019	2020	2021	
Operation income	6,980,281	5,834,768	5,507,432	4,745,969	4,966,299	-
Gross profit	825,600	1,501,746	1,258,194	1,158,802	971,249	-
Operating Income	13,773	673,214	427,611	300,710	64,461	-
Non-operating Income and Expenses	13,472,476	10,798,511	8,807,980	9,403,830	16,052,453	-
Net profit before tax	13,486,249	11,471,725	9,235,591	9,704,540	16,116,914	-
Net profit for the period of the continued business unit	11,164,638	9,932,094	9,067,952	8,557,651	16,242,546	-
Losses on Ceased Business Units	—	—	—	—	—	-
Current Net Profit (Loss)	11,164,638	9,932,094	9,067,952	8,557,651	16,242,546	-
Other Comprehensive Income (Net Profit After Taxes)	4,866,033	(36,703,470)	42,638,073	25,786,327	(12,137,146)	-
Total Comprehensive Income Current Period	16,030,671	(26,771,376)	51,706,025	34,343,978	4,105,400	-
Profit Attributable to Owners of the Parent	11,164,638	9,932,094	9,067,952	8,557,651	16,242,546	-
Profit Attributable to Non-controlling Interest	—	—	—	—	—	-

Item \ Year	Financial information as of the last five (5) years (Note 1)					The current year as of 2022/3/31
	2017	2018	2019	2020	2021	
Total Profit and Loss Attributable to the Parent Company's Owners	16,030,671	(26,771,376)	51,706,025	34,343,978	4,105,400	-
Total comprehensive income attributed to non-controlling interest	—	—	—	—	—	-
Earnings per share	5.48	4.88	4.45	4.20	7.98	-

Note 1: The aforementioned data have been officially attested by the certified public accountants

Note 2: As of the publication date of the annual report, there is no financial information for the first quarter of 2022 that has been reviewed by accountants.

(2) The Name and the Audit Opinion of the CPA in the Past Five Years

Year	Title of the Office	Name of the Certified Public	Audit opinions
2017	PwC Taiwan	Chang Shu-Chiung, Wang Chao-Ming	Unqualified Opinion (Note 1)
2018	PwC Taiwan	Wang Chao-Ming, Hsu Ming-chuan	Unqualified Opinion (Note 1)
2019	PwC Taiwan	Wang Chao-Ming, Hsu Ming-chuan	Unqualified Opinion (Note 1)
2020	PwC Taiwan	Wang Chao-Ming, Hsu Ming-chuan	Unqualified Opinion (Note 1)
2021	PwC Taiwan	Chang Shu-Chiung, Huang Chin-Lien	Unqualified Opinion (Note 1)

Note 1: In Years 2017~2021, the attesting certified public accountants confirmed with unqualified opinions with other remarks.

II. Financial Analysis in the Past Five Years:

(1) 1. Consolidated Financial Analysis for the Past Five Years: International Financial Accounting Reporting Standards (consolidated)

Item \ Year		Financial Analysis Over the Past Five Years (Note 1)					The current year as of 2022/3/31	Change Rate in the Past Two Years (%)	Remarks
		2017	2018	2019	2020	2021			
Financial structures	Liabilities to Assets Ratio	49.46	59.13	43.12	36.17	35.81	-	-1	
	Long-term Capital to PP&E Ratio	1808.94	1,775.65	2,929.70	3,343.24	3,491.36	-	4	
Liability Solvency (%)	Current Ratio	140.85	260.34	185.99	157.77	200.33	-	27	1
	Quick Ratio	48.48	51.91	52.43	39.51	76.13	-	93	1
	Debt Service Coverage Ratio	25.45	21.36	12.33	14.45	25.96	-	80	2
Operating Capability	Average Collection Turnover (times)	8.08	11.64	13.27	14.83	14.62	-	-1	
	Average Collection Days	45	31	28	25	25	-	-	
	Average Inventory Turnover (times)	0.31	0.39	0.49	0.53	0.73	-	40	3
	Average Payable Turnover (times)	3.47	5.61	4.11	3.07	3.18	-	4	
	Average Inventory Turnover Days	1,177	936	745	689	500	-	-28	3
	PP&E Turnover (times)	2.70	3.66	4.04	4.12	5.66	-	37	4
	Total Assets Turnover (times)	0.12	0.16	0.15	0.11	0.14	-	27	5
Profit Capability	ROA (%)	12.93	11.28	8.54	5.84	9.51	-	63	6
	ROE (%)	25.09	22.59	15.03	8.38	13.42	-	60	7

Item	Year	Financial Analysis Over the Past Five Years (Note 1)					The current year as of 2022/3/31	Change Rate in the Past Two Years (%)	Remarks
		2017	2018	2019	2020	2021			
	Profit Before Tax to Capital Stock (%)	83.85	122.46	99.78	71.62	85.27	-	19	
	Net Profit Rate	105.48	70.31	55.55	48.6	64.08	-	32	6
	EPS	5.48			4.20	7.98	-	90	6
Cash Flow	Cash Flow Ratio (%)	21.22	13.41	15.22	7.08	25.61	-	262	8
	Net Cash Flow Adequacy Ratio (%)	25.37	40.2	51.36	52.8	83.10	-	57	8
	Cash Reinvestment Ratio (%)	9.26	— (Note 4)	— (Note 4)	0.47	2.71	-	480	8
Leverage	Operation Leverage	1.52	1.29	1.49	1.48	1.30	-	-12	
	Financial Leverage	1.39	1.22	1.47	1.5	1.21	-	-19	

Accounts for changes in financial ratio up to 20% in the past two years:

1. The current ratio and the quick ratio increased mainly because of the increase in current assets at the end of the period.
2. The debt service coverage ratio increased mainly because of the increase in pre-tax income.
3. The average inventory turnover increased and average inventory turnover days decreased because of the increase in cost of good sold.
4. The PP&E turnover increased mainly because of the increase in net sales revenue.
5. The total assets turnover increased mainly because of the increase in net sales revenue and total assets at the end of the period.
6. The ROA, net profit rate and EPS increased mainly because of the increase in net income after tax.
7. The ROE increased mainly because of the increase in net income after tax attributable to owners of the parent.
8. The cash flow ratio, net cash flow adequacy ratio and cash reinvestment ratio increased mainly because of the increase in net cash flow from operation.

Note 1: The net operating cash flow is negative and is exempted from calculation according to regulations.

Note 2: By the date of annual report publication, no CPA-reviewed financial data for Q1 2021 is available.

Note 3: Net operating cash flow of the past five years was not calculated due to data insufficiency.

Note 4: The difference of net operating cash flow subtracting cash dividend is a negative value, thus not calculated by law.

Note 5: The financial analysis formula of this table is as follows:

1. Financial Structure

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

2. Solvency

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

3. Management Ability

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

4. Profitability

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

5. Cash Flow

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

6. Leverage

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

Note 6: When evaluating the above equations for calculating EPS, the following factors must be taken into consideration:

1. The number of common shares shall be based on the weighted average method and not the outstanding shares as of the end of the year.
2. When raising additional capital through issuance of new shares or treasury shares trade, the outstanding period of the shares shall be considered alongside with the weighted average of outstanding shares.
3. In capitalization of retained earnings or additional paid-in capital (APIC), adjustment shall be made in proportion to the amount capitalized when calculating the earnings per share for the previous year and the interim period. The term of the capitalization of retained earnings or capital surplus for new capital is not required for consideration.
4. If the preferred shares are non-convertible accumulated preferred shares, the dividends for the current period (whether or not being paid out) should be deducted from earnings or added to earnings. If the preferred shares are not cumulative, dividends for preferred shares should be deducted from earnings if there is a surplus. If there is loss after taxation, no adjustment is required. If the preferred shares are not cumulative, dividends for preferred shares should be deducted from earnings if there is a surplus. If there is loss after taxation, no adjustment is required.

Note 7: When analyzing cash flow, pay attention to the following:

1. Operating cash flow (OCF) refers to the net operating cash inflow as stated in the statement of cash flow.
2. Capital spending shall be referred to as cash outflow for capital investment each year.
3. Addition to inventory shall be referred to as the value at the end of the ending period is greater than that of the beginning period. If there is decrease in inventory, put a zero.
4. Cash dividend includes cash dividends for common and preferred stocks.
5. The gross amount of property, plants, and equipment is the total balance of property, plants, and equipment before subtracting accumulated depreciation

Note 8: Securities issuers shall classify operating costs and operating expenses as fixed or variable. If estimates or subjective judgment is involved in such classification, the accounting staff shall pay attention to the reasonableness and maintain the consistency of such classification.

Note 9: If the Company's stocks do not have a par value or the par value is other than NT\$10, the calculation of percentage of paid-in capital is calculated with the ratio of equity attributable to the parent company in the balance sheet.

2. Consolidated Financial Analysis Over the Past Five Years: IFRS (individual)

Item \ Year		Financial Analysis Over the Past Five Years (Note 1)					The current year as of March 31, 2022	Change Rate in the Past Two Years (%)	Remarks
		2017	2018	2019	2020	2021			
Financial Structure (%)	Liabilities to Assets Ratio	42.11	52.91	31.76	25.87	25.65		-0.85	
	Long-term Capital to PP&E Ratio	135,991.66	166,218.21	226,904.34	100,924.34	87,834.80		-12.97	
Solvency (%)	Current Ratio	134.80	271.90	190.79	170.73	244.57		43.25	1
	Quick Ratio	44.04	29.77	36.44	28.38	62.63		120.68	1
	Debt Service Coverage Ratio	34.80	30.60	22.90	26.55	51.72		94.80	2
Operating Capability	Average Collection Turnover (times)	69.72	90.51	335.94	495.27	464.94		-6.12	
	Average Collection Days	5	4	1	1	1		0.00	
	Average Inventory Turnover (times)	0.26	0.18	0.18	0.16	0.17		6.25	
	Average Payable Turnover (times)	7.72	6.82	6.74	5.36	6.16		14.93	
	Average Inventory Turnover Days	1,426	2,062	1,984	2,340	2,147		-8.25	
	PP&E Turnover (times)	153.82	155.51	138.41	52	33		-36.54	3

	Total Assets Turnover (times)	0.10	0.08	0.06	0.03	0.03		0.00	
Profit Capability	ROA (%)	15.78	13.52	10.04	6.47	10.57		63.37	4
	ROE (%)	27.62	25.03	16.22	8.77	14.06		60.32	4
	Profit Before Tax to Capital Stock (%)	80.66	114.35	92.06	64.49	76.50		18.62	
	Net Profit Rate	159.95	170.22	164.65	180.31	327.06		81.39	4
	EPS	5.48			4.20	7.98		35.71	4
Cash Flow	Cash Flow Ratio (%)	36.08	6.63	13.87	4.3	22.99		434.65	5
	Net Cash Flow Adequacy Ratio (%)	78.54	68.89	69.38	70.99	107.35		51.22	5
	Cash Reinvestment Ratio (%)	17.60	—	—	—	—			5
			(Note 3)	(Note 3)	(Note 3)	(Note 3)			
Leverage level	Operation Leverage	3.26	1.05	1.14	1.45	3.26		124.83	6
	Financial Leverage	(0.11)	1.41	1.99	(8.91)	(0.33)		-96.30	7

Accounts for changes in financial ratio up to 20% in the past two years:

- 1: The current ratio and quick ratio increased mainly because of the increase in current assets at the end of the period.
- 2: The debt service coverage ratio increased mainly because of the increase in pre-tax income.
- 3: The PP&E turnover decreased mainly because of the increase in average net PP&E.
- 4: The ROA, ROE, net profit rate and EPS increased mainly because of the increase in net income after tax.
- 5: The cash flow ratio, net cash flow adequacy ratio and cash reinvestment ratio increased mainly because of the increase in net cash flow from operation.
- 6: The operating leverage increased mainly because of the decrease in the operating profit of the period.
- 7: The financial leverage increased mainly because of the increase in interest expenses of the period.

Note 1. The above information is verified and certified by an accountant.

Note 2: By the date of annual report publication, no CPA-reviewed financial data for Q1 2021 is available.

Note 3: The net cash flow is a negative value and thus omitted by law.

Note 4: Please refer to the description above for the calculation of financial analysis.

III. Audit Report on the Financial Statements in the most recent year by the Audit Committee

Ruentex Development Co., Ltd.

Audit Report by the Auditing Commission

The business report, financial statements and such final account papers of Fiscal 2021 worked out by the Board of Directors had been duly audited by Certified Public Accountant Chang,Shu-Chiung and Certified Public Accountant Huang,Chin-Lien of “PricewaterhouseCoopers Taiwan” who, in turn, duly issued the Audit Report. The aforementioned business report and financial statement and such final account settlement papers have been duly audited by the Audit Committee and have been deemed appropriate. In accordance with Article 14~4 of Securities and Exchange Act and Article 219 of the Company Act, this Report has been duly worked and submitted for verification.

Attn.:

The regular meeting of shareholders of the Company, 2021

Audit Committee Convener: Ke,Shun-Xiong



March 15, 2022

Ruentex Development Co., Ltd.

Audit Report by the Auditing Commission

The proposal of distribution of earnings of 2021 worked out by the Board of Directors have been duly audited by the Audit Committee and have been deemed appropriate. In accordance with Article 14~4 of Securities and Exchange Act and Article 219 of the Company Act, this Report has been duly worked and submitted for verification.

Attn.:

The regular meeting of shareholders of the Company, 2021

Audit Committee's Convener Ke,Shun-Hsiung



April 25, 2022

IV. Financial Statements of the Previous Year: See Appendix A

V. Individual Financial Statements of the Previous Years Certified by a CPA: See Appendix B

VI. Insolvency that occurs in the Company and affiliates in the previous year until the date of report publication: None.

Seven. Review of Financial Position, Financial Performance, and Risk Management

I. Financial Position

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

Expressed in Thousand New Taiwan Dollars

Item \ Year	2021	2020	Difference		
			Amount	%	Note
Current Assets	47,464,148	39,202,599	8,261,549	21.07	1
Property, plant, and equipment	4,814,387	4,831,865	(17,478)	(0.36)	
Right-of-use assets	2,369,824	2,567,028	(197,204)	(7.68)	
Net value of investment properties	20,083,439	20,981,591	(898,152)	(4.28)	
Intangible Assets	191,469	253,971	(62,502)	(24.61)	2
Others Assets	116,857,100	118,552,321	(1,695,221)	(1.43)	
Total Assets	191,780,367	186,389,375	5,390,992	2.89	
Current Liabilities	23,692,868	24,848,429	(1,155,561)	(4.65)	
Non-current liabilities	44,982,947	42,575,595	2,407,352	5.65	
Total liability	68,675,815	67,424,024	1,251,791	1.86	
Equity attributed to owners of the parent	116,862,034	114,244,330	2,617,704	2.29	
Capital	21,068,334	15,048,810	6,019,524	40.00	3
Capital reserve	18,160,798	18,147,191	13,607	0.07	
Retained earnings	51,255,990	42,340,836	8,915,154	21.06	4
Other Equities	26,461,551	38,792,132	(12,330,581)	(31.79)	5
Treasury stock	(84,639)	(84,639)	0	0.00	
Non-controlling Interest	6,242,518	4,721,021	1,521,497	32.23	6
Total Equity	123,104,552	118,965,351	4,139,201	3.48	

Description of ratio changes (changes below 20% and with an amount below NT\$10 million were eliminated.):

- (1) Increase in current assets: This is mainly because of the cash and cash equivalent in 2021.
- (2) Increase in intangible assets: This is mainly because of the increase in impairment loss in 2021.
- (3) Increase in the share capital: This is mainly because of the stock dividends distributed in 2021.
- (4) Increase in the retained earnings: This is mainly because of the increase in net income in 2021.
- (5) Increase in other equity: This is mainly because the changes in the unrealized gain on valuation of associates.
- (6) Increase in non-controlling interest: This is mainly because of the increase in the net income attributable to non-controlling interest.

II. Financial Performance:

Analysis of the Significant Changes in Operating Results in the Past Two Years

Expressed in Thousand New Taiwan Dollars

Item \ Year	2021	2020	Increase (decrease) Amount	Change Ratio (%)	Note
Operation revenue	27,293,884	19,084,589	8,209,295	43.02	1
Operation Cost	21,563,935	15,145,020	6,418,915	42.38	2
Gross profit	5,729,949	3,939,569	1,790,380	45.45	1、2
Operating Expenses	2,133,099	1,854,562	278,537	15.02	
Operating Profit	3,596,850	2,085,007	1,511,843	72.51	1、2
Non-operating Income and Expenses	14,367,824	8,693,455	5,674,369	65.27	3
Net profit before tax	17,964,674	10,778,462	7,186,212	66.67	1、2、3
Net income of current period	17,490,688	9,275,392	8,215,296	88.57	1、2、3

Other Comprehensive Income Current Period, Net	(11,403,700)	25,746,073	(37,149,773)	(144.29)	4
Total Comprehensive Income Current Period	6,086,988	35,021,465	(28,934,477)	(82.62)	1、 2、 3、4
Profit Attributable to Owners of the Parent	16,242,546	8,557,651	7,684,895	89.80	1、 2、3
Profit Attributable to Non-controlling Interest	1,248,142	717,741	530,401	73.90	1、 2、3
Comprehensive Income Attributable to Owners of the Parent Company	4,105,400	34,343,978	(30,238,578)	(88.05)	4
Comprehensive Income Attributable to Noncontrolling Interests	1,981,588	677,487	1,304,101	192.49	5
Equity per Share (NT\$)	7.98	4.20	3.78	90.00	5

1. Description of Ratio Changes (changes below 20% and with an amount below NT\$10 million were eliminated):

- (1) Increase in operation revenue of the period: This is mainly because cases and constructions increased.
- (2) Increase in operation cost of the period: With the increase in construction revenue, construction costs also increased
- (3) Increase in non-operating income of the period: Mainly due to the increase in investment interests recognized by affiliated companies using the equity method.
- (4) Decrease in the other comprehensive income and total comprehensive income current period: This is mainly because the unrealized valuation income and the unrealized income of overlay approach decreased.
- (5) The EPS increased mainly because of the increase in net profit before tax of the period.

2. Potential Financial Influence of the Estimated Sales Volume and its Basis and Countermeasures:

- (1) The saleable cases available from the Company in the current year include Songtaoyuan, Ruentex Dunfeng, Ruentex Daan Fuyang (pre-construction sales), Ruentex Xinyi (pre-construction sales), Sanchong Wuguwang Cases A and B (pre-construction sales) and its Subsidiary Ruentex Construction International Co., Ltd.'s Qing Tian 618 Project (pre-construction sales), and the like. The Company will try by all available means, notably taking advantage of brand name and differentiated marketing; to successfully accomplish the targets of sales. Besides, there are still cases under construction, i.e., the MRT Sanchong Station joint development case and Subsidiary Ruentex Innovative Development Co. Ltd.'s Nangang Yucheng Section case. Moreover, the Company still puts forth maximum possible efforts to develop a variety of potential concerted construction programs to attain maximum possible profits to the Company.

For commercial real estate, the hotels and shopping malls managed by our subsidiaries, Ruentex Syu Jan and Ruentex Pai Yi, were affected by the negative impact posed by the COVID-19 pandemic. However, they still actively launched various marketing campaigns to attract more customers and maintain a stable profit despite the overall unfavorable market conditions. The Songshan Store No. 2, the CITYLINK Neihu Store and the franchise TUTAYA BOOKSTORE established by the Company's Subsidiary Ruentex Construction International Co., Ltd. set up and opened the Songshan Station-Front Store, Neihu Store, Nangang Store and the Kaohsiung Dali Store in Years 2017, 2018, 2019 and 2020 respectively. Further in 2021, in an attempt to expand the business horizons and provide a brand new store model with the innovative concept of WORK STYLE, the original Songshan Station-Front Store was relocated into the CITYLINK Songshan Store No. 1. Through the access connection with Nangang, Songshan Station and Neihu MRT Station, we successfully create a rail-based economy into mutual benefits and common prosperity.

- (2) The aspect of mass sales. As of 2021, our mass sales venture is only Zhonglun Hypermarket. Amidst the cutthroat competition ambience in the overall livelihood consumer markets, the Company still takes means of flexible marketing to boost the revenues in the hypermarkets to assure secured profit sources.

III. Cash Flow

(1) Changes in Consolidated Cash Flow in the Previous Year:

Unit: NT\$ thousands

Beginning Cash Balance	Annual Net Operating Cash Flow	Annual Net Investing and Financing Cash Flow	Surplus cash (shortage) amount	Amount of cash inadequacy Remedial measures	
				Investment Plans	Financial Management Plans
\$4,709,372	\$6,064,574	(\$1,611,194)	\$9,162,752	-	-
<p>(1) The net cash inflow in operating activities amounted to approximate NT\$6.068 billion, due primarily to the dividend revenue in outward investment and successful sales and deliveries of such cases in Ruentex Dunfeng, Ruentex Fenghui and the like. Meanwhile, the impact incurred by exchange rate came to NT\$4 million.</p> <p>(2) The net cash outflow in the investment activities came to approximately NT\$933 million, due primarily to the investment in real property, plants and equipment.</p> <p>(3) The net cash outflow in the fund-raising activities came to approximately NT\$678 million, due primarily to the cash dividend paid in the present term.</p>					

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

Cash at the beginning of the term. Balance	Estimated Annual Net Operating Cash Flow	Annual Net Investing and Financing Cash Flow	Estimated balance in cash Amount of (shortage)	Anticipated shortage in cash Remedial measures	
				Investment Plans	Financial Management Plans
\$9,162,752	(\$3,655,435)	(\$2,404,143)	\$ 3,103,174	-	-
<p>(1) Operating activities: In the upcoming year, a variety of business operations and development projects will be carried out continually in succession. The business operation activities are anticipated to yield net cash outflow amounting to approximately NT\$3.655 billion.</p> <p>(2) Investment activities and fund-raising activities: In the upcoming year with distribution of cash dividend, the investment activities and fund-raising activities are anticipated to yield cash outflow amounting to approximately NT\$2.404 billion.</p>					

IV. Influence of major capital spending on financial position and operation in recent years: None.

V. Re-investment policies, main causes of profit or loss, and improvement plans in the previous year, and investment plans in the next year:

(I) We invest, on principle, in public companies with steady operations and industries in relation to the business of this Company with developmental potential. We will still focus on investments in companies with a robust financial structure and assess investments carefully and conservatively to ensure the success of investment diversification.

(II) Profit and Loss of Investees in 2021:

Name of Investee	Main business items	Gain (Loss) in 2021	Main Reasons for Gain or Loss	Improvement Plans
Ruentex Construction International BVI	General Investment	6,713	Recognition of the profit from investing in Concord Greater China Ltd. through investee Sinopac Global was the main reason for the gain.	NA
Ruentex Property Management & Maintenance Co., Ltd.	Property Management and Maintenance Services	10,103	Recognition of the profit from long-term shares investment in non-operating income was the main reason for the gain.	NA

Ruen Fu Newlife Corp.	Retirement Home and General Property Management and Maintenance Services	(12,103)	Low occupancy as a result of the age increase of residents, withdrawal rate increase, and vacancy rate increase were the main reasons for the loss.	Continue to raise occupancy and control expenses.
Ruentex Security Co., Ltd.	Ruentex Security Co., Ltd.	12,508	Recognition of the profit from long-term shares investment in non-operating income was the main reason for the gain.	NA
Ruentex Construction & Development Co., Ltd. (Previously named City-Link Development Co., Ltd.)	Mall Operations, Proprietary Booths, Commercial Property Leasing, Housing and Building Development, Leasing and Sales, and Business Management Consulting	91,315	The higher beginning operating cost of new business groups was the main reason for the loss.	NA
Ruentex Xuzhan Co. Ltd.	Mall Operations and Commercial Property Leasing	255,445	It was established to undertake government BOT projects. Profit maintains because the condition of the mall and offices are great.	NA
Ruentex Baiyi Co., Ltd.	Mall Operations and Commercial Property Leasing	221,695	It was established to undertake government BOT projects. Profit maintains because the condition of the mall and offices are great.	NA
Ruentex Innovative Development Co. Ltd.	Commissioning Constructor to Build Collective Housing and Sales	482,864	It is a new company established at the end of 2015. As no revenue has been recognized, a loss is presented.	NA
Nan Shan Life Insurance Co., Ltd.	Personal insurances, such as life insurance, health insurance, damage insurance and annuity.	58,643,377	insurance, and annuity, and the disposition of financial assets.	NA
Ruentex Engineering & Construction Co., Ltd.	Undertaking Construction and Civil Engineering Projects, the Import, Export, Production, and Planning of Precast Beams, Columns, and Exterior Walls, and Related Electrotechnical Projects	1,842,218	Despite the influence of the macro environment, the performance in both revenue and profit was up to the standard among competitors. Apart from implementing existing projects, we will continue to increase the value and characteristics of differentiation to constantly increase the income from new projects.	NA
Ruentex Materials Co., Ltd.	Production and Distribution of Construction Materials	(103,741)	This is because of recognizing the gain from investment of investee Ruentex Interior Design and the steady operations in the year.	NA
Gin-Hong Investment Co., Ltd.	General Investment	56,082	The profit from investments increased mainly because of the equity distribution of investee Ruentex Industries Ltd.	NA
Ruen Chen Investment Holding Co., Ltd.	General Investment	52,526,803	The profit from investments of investee Nan Shan Life Insurance.	NA

Concord Greater China Ltd.	General Investment	97,738	It is a general investee with gains mainly from recognizing the profit on re-investing in Sun Art Retail.	NA
Shing Yen Construction & Development Co., Ltd.	Congregate housing and commercial building rental and sale and operation of department store business	(2,574)	Asset lease is the main source of income.	NA
Sunny Friend Environmental Technology Co., Ltd.	Waste Disposal and Manufacture of Pollution Prevention Equipment	944,914	The profit of re-investments in waste disposal and manufacture of pollution prevention equipment because of the increase in sales volume and steady growth.	NA
Ruentex Industries Ltd.	Spinning, Textiles, and Manufacturing, Processing and Sales of Garments	11,757,392	Main Reasons for Profit: (1) Recognition of the profit from investments of Concord Greater China Ltd. and Ruentex Development using the equity method. (2) Recognition of the gain from investment in Ruen Chen Investment Holdings.	NA
Ruentex Construction International Ltd.	General Investment	(582)	Rent is the main source of income.	NA
Sinopac Global Investment Ltd.	General Investment	15,115	Recognition of the profit from investments of Concord Greater China Ltd. and Ruentex Development using the equity method.	NA
Ruen Yang Construction Co., Ltd.	Civil Engineering Projects	(6,190)	The increase in operating income was main reason for profit.	NA
Ruentex Interior Design Inc.	Design and Construction of Interior Decoration, Gardens, and Greenery	40,321	The increase in operating income was main reason for profit.	NA

VI. Risk Analysis and Assessment (the previous year until the date of report publication)

(1) Influence on gains/losses of changes in interest rate and exchange rate and inflation, and future countermeasures:

The total amount of the Company in 2021 was a bit higher than that of 2020. Amidst the easy monetary market with interest rates lingering low, nevertheless, the interest expense paid by the Company in 2021 decreased as compared with the preceding year. The Company will vigilantly observe the potential impact incurred by changes in the interest rates upon the Company and respond with sound countermeasures as the actual requirements may justify. The influence of the exchange rate is lower, as we are basically in an industry for domestic demands. Currently, the influence of inflation is still insignificant. We will keep track of commodity price volatility constantly and take relevant countermeasures as necessary.

(II) Policies, main reason(s) for gains/losses, and future countermeasures for engaging in high-risk and high-leverage investments, lending, offering guarantees and endorsements, and derivatives investments:

1. Policies, main reason(s) for profits or losses, and future countermeasures for engaging in high-risk and high-leverage investments and derivatives investments: We prohibit engagement in high-risk and high-leverage investments.

Investments in derivatives aim for hedging and are conducted with respect to related laws and regulations of the regulations of this Company.

2. Where the Company loans funds to others, the Company's endorsement/guarantee policy, the major reasons leading to a loss and the future countermeasures: The Company loans funds to others or renders endorsements/guarantees exactly in accordance with the laws and ordinances concerned and the Company's own rules and does not run into a loss therefrom. As of April 30, 2022, the Company remains in the guarantee rendered to Ruentex Innovative Development Co. Ltd. for its bank loan, in an amount of NT\$6.2 billion for the guarantee.

3. The countermeasures in the future: In the days and years ahead, the Company will still focus on its

principal business lines and tries not to engage in any transactions subject to high risk, high leverage investment and transactions in derivative financial instruments. Toward the beneficiaries of endorsements/guarantees, the Company shall continually track and evaluate to prevent any potential adverse impact upon the Company to minimize all sorts of potential operating risks.

- (III) The future research & development plans and the fees anticipated to be invested into research & development: The Company's Subsidiary(ies) is(are) ready to invest NT\$81.903 million into research & development in 2022 toward six major research & development aspects as enumerated below:
 - 1. Labor-conservation construction: To minimize the impact incurred by labor shortage to boost the Company's competitive edge.
 - 2. 0 pollution construction: In response to the global trend in carbon reduction to develop low carbon construction technology & know-how
 - 3. Advanced construction: Efforts to improve, optimize and upgrade the existent approaches.
- (IV) The impact resulting from changes in major policies and laws at home and abroad upon the Company's business operation and finance: In entire 2021, the changes in major policies and laws at home and abroad were anticipated not to bring any significant impact upon the Company's business operation and finance. The Company shall, with continued and uninterrupted efforts, stay vigilant on any change in major policies and laws that might bring a significant impact upon the Company's business operation and finance.
- (V) A impact resulting from a technical change (including a risk upon information security) and a change in industry upon the Company's finance and business and the countermeasures: Here at the Company in response to the earth's environmental protection and Taiwan's seismic geological structure, we prudentially map out environmental protection and earthquake-proof structures to launch cases to satisfy customer needs.
- (VI) Influence of market presence changes on crisis management and countermeasures: By the date of annual report publication, there is no report of the influence of market presence change on crisis management.
- (VII) Expected benefits and potential risks of mergers and acquisitions: NA.
- (VIII) Expected benefits and potential risks of factory expansion and countermeasures: NA.
- (IX) Potential risk of procurement or sales centralization and acquisitions: Apart from land development and investment in the construction of housing, villa, and commercial buildings, MRT joint development projects, and station BOT and commercial property development projects, our major scope of business does not cover sales centralization. In procurement management, we carefully assess the quality, technology, and operational performance of constructors before contracting and implement strict control of project schedules and service quality to ensure the construction quality of each project.
- (X) The impact, risks resulting from a massive transfer or change in equity by a director and supervisor or a key shareholder holding more than 10% of the total shares upon the Company and the countermeasures: As of the publication date of the Annual Report, a massive transfer or change in equity did not take place at all.
- (XI) Influence and risks of management changes and countermeasures: NA.
- (XII) Litigious or non-litigious events: NA.
- (XIII) Other significant risks and countermeasures:
 - 1. Information security related risks and the control measure therefor:
 - (1) Here at the Group, we have duly enacted the “Operating Procedures on Management over Information Security”. Aiming at information storage and processing, transmission, access control, equipment security and the like, we have set up concrete management specifications to minimize potential information security risks. Such efforts well facilitate the normal operation of our information systems. In response to the management and audit over the Company's information security, we have duly worked out the Company's information security specifications along with sound managerial plans, including notably regulations for implementation and enforcement rules thereof, operating plans and penalty clauses to facilitate standardized management and audit over Internet information security.
 - (2) Given the fact that information security insurance is still a newly emerging type of insurance involving information security level testing agencies, insurance claim identification agencies and non-claim conditions and other matching measures concerned. We, therefore, are still carrying out assessment over information security related insurance policy(ies). Here at the Company, we have duly implemented concrete risk control and management pursuant to the information security specifications. Subsequently our target is to put forth continued efforts to strengthen information security protection to set up concerted

protection mechanism, in particular the efforts to train and cultivate high-quality information security talents to upgrade their professional functions and enact relevant cultivation & training programs to carry out information security advocacy and audit operation with continued and uninterrupted efforts. In turn, we shall upgrade entire staff in their information security literacy and strengthen information security.

2. The Company did not run into any events with any significant impact upon the Company's business and finance, nor did the Company get involved in any legal issues, supervision or investigation linked up with such issues in 2021 as of the publication date of the Annual Report.

VII. Other material information: None.

Eight. Special Remarks

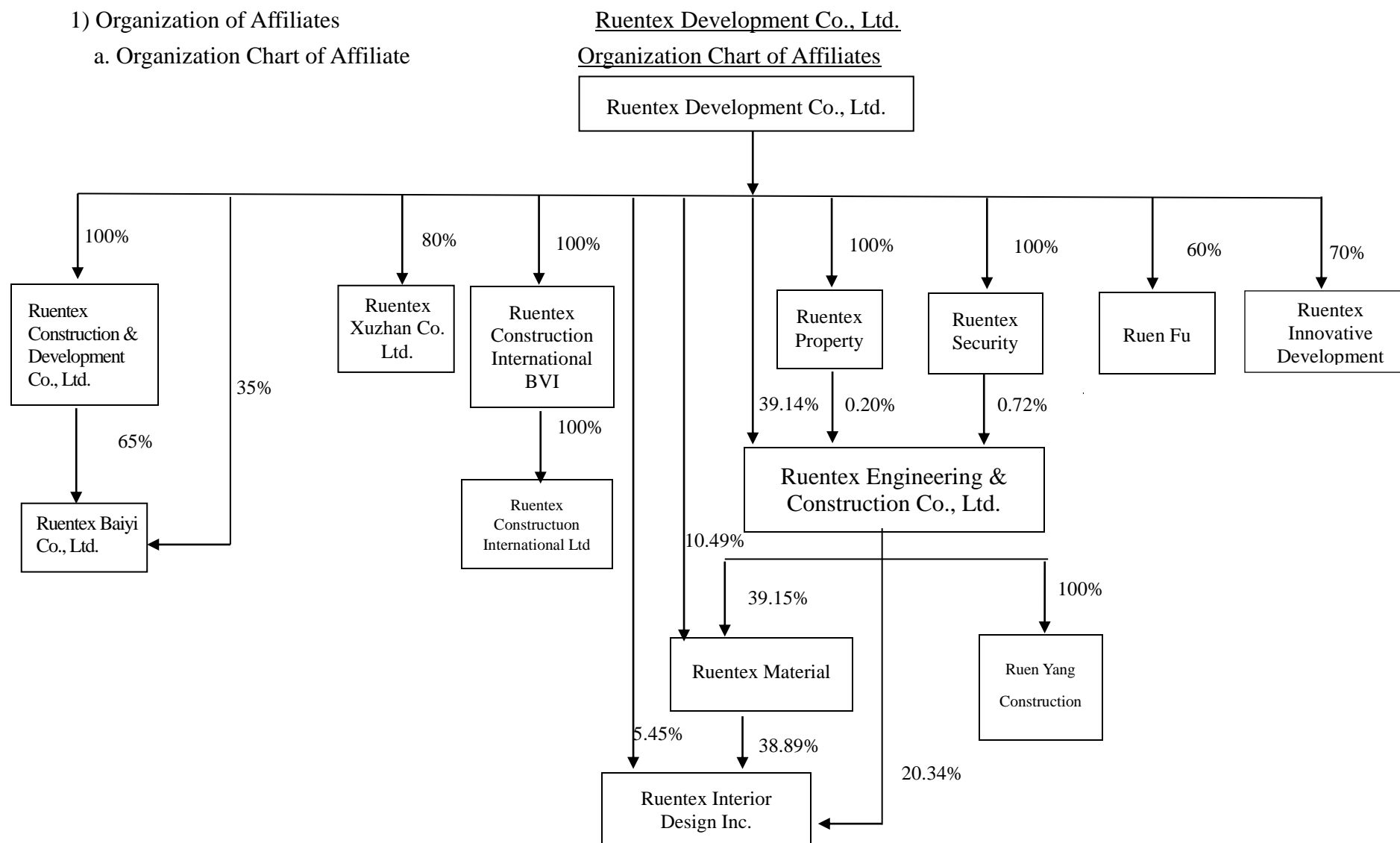
I.Information of Affiliates

Date: By December 31, 2021

(I) Consolidated Business Reports of Affiliates

1) Organization of Affiliates

a. Organization Chart of Affiliate



(2) Basic Data of Affiliates

Unit: NTD/USD/HKD thousands

Affiliate	Established On	Address	Paid-in Capital	Major Business or
Ruentex Construction International BVI	1994/11/29	Tropic Isle Building,P.O.Box438,Road Town,Tortola,British Virgin Islands	USD25,000	General Investment
Ruentex Construction International Ltd	1994/3/24	2/F, Jonsim Place, No. 228 Queen's Road East, Wanchai, Hong	HK7,800	General Investment
Ruentex Construction International Co., Ltd. (Previously named City-Link Development Co., Ltd.)	2002/10/25	11F.-1, No. 308, Sec. 2, Bade Rd., Taipei City	2,000,000	Mall Operations, Proprietary Booths, Commercial Property Leasing, Housing and Building Development, Leasing and Sales, and Business Management Consulting (Renamed in August ,2019)
Ruentex Baiyi Co., Ltd.	2007/3/22	1F., No. 11, Songshan Rd., Taipei City	2,000,000	Mall Operations and Commercial Property
Ruentex Xuzhan Co. Ltd.	2006/11/20	No. 369, Sec. 7, Zhongxiao E. Rd.,	2,000,000	Mall Operations and Commercial Property
Ruentex Property Management & Maintenance Co., Ltd.	1992/9/26	11F.-1, No. 308, Sec. 2, Bade Rd., Taipei City	28,287	Property Management and Maintenance Services
Ruentex Security Co., Ltd.	1999/6/7	11F., No. 308, Sec. 2, Bade Rd., Taipei City	69,000	Security Services
Ruen Fu Newlife Corp.	1991/12/19	11F.-1, No. 308, Sec. 2, Bade Rd., Taipei City	20,000	Senior Citizen's housing and buildings general affairs
Ruentex Innovative Development Co. Ltd.	2015/11/19	11F.-1, No. 308, Sec. 2, Bade Rd., Taipei City	2,840,000	Commissioning Constructor to Build Collective Housing
Ruentex Engineering & Construction Co., Ltd.	1974/11/03	10F., No. 308, Sec. 2, Bade Rd., Taipei City	1,849,500	Undertaking Construction and Civil Engineering Projects, the Import, Export, Production, and Planning of Precast Beams, Columns, and Exterior Walls, and Related Electrotechnical Projects
Ruentex Materials Co., Ltd.	1992/9/23	10F., No. 308, Sec. 2, Bade Rd., Taipei City	1,500,000	Production and distribution of building materials
Ruen Yang Construction Co., Ltd.	1995/3/13	10F., No. 308, Sec. 2, Bade Rd., Taipei City	6,000	Civil Engineering Projects
Ruentex Interior Design Inc.	1994/11/14	11F.-1, No. 308, Sec. 2, Bade Rd., Taipei City	135,000	Design and Construction of Interior Decoration,

(3) Data of shareholders with designated control or affiliation: None.

(4) Scope of Business Covered by all Affiliates: The scope of business of this Company and affiliates covers commission/investment in the construction of public housing/general apartments; interior design; property management and maintenance; electrical appliance wholesale; precision equipment wholesale and retail; retail shopping mall; office leasing; wholesale; and general investments.

(5) Directors, Supervisors, and Presidents of Affiliates and Their Shareholdings

Unit: Shares; %; Date: December 31, 2021

Affiliate	Title	Name or Representative	Shareholdings	
			Shares	Shareholding percentage
Ruentex Construction International BVI	Director	Representative of Ruentex Development Co., Ltd.: Jean, Tsang-Jiunn	25,000,000	100.00%
Ruentex Construction International Ltd	Director	Representative of Ruentex Construction International BVI: Jean, Tsang-Jiunn	7,800,000	100.00%
Ruentex Construction International Co., Ltd. (Previously named City-Link Development Co., Ltd.)	Chairman	Representative of Ruentex Development Co., Ltd.: Jean, Tsang-Jiunn	109,874,319	100.00%
	Director	Representative of Ruentex Development Co., Ltd.: Lee, Chih-Hung	109,874,319	100.00%
		Representative of Ruentex Development Co., Ltd.: Chen, Li-Yu	109,874,319	100.00%
	Supervisors	Representative of Ruentex Development Co., Ltd.: Chang, Hsiu-Yen	109,874,319	100.00%
Ruentex Baiyi Co., Ltd.	Chairman	Representative of Ruentex Development Co., Ltd.: Jean, Tsang-Jiunn	195,000,000	100.00%
	Director	Representative of Ruentex Development Co., Ltd.: Lee, Chih-Hung	195,000,000	100.00%
		Representative of Ruentex Development Co., Ltd.: Yen, Tien-Cheng	195,000,000	100.00%
	Supervisors	Representative of Ruentex Development Co., Ltd.: Chang, Hsiu-Yen	195,000,000	100.00%
Ruentex Xuzhan Co. Ltd.	Chairman	Representative of Ruentex Development Co., Ltd.: Jean, Tsang-Jiunn	160,000,000	80.00%
	Director	Representative of Ruentex Development Co., Ltd.: Lee, Chih-Hung	160,000,000	80.00%
		Representative of Ruentex Development Co., Ltd.: Hsu, Sheng-Yu	160,000,000	80.00%
		Representative of Ruentex Development Co., Ltd.: Yin, Chung-Yao	160,000,000	80.00%
		Representative of Mitsubishi Estate Co., Ltd.: Tougen Shoubunn	40,000,000	20.00%
	Supervisors	Chang, Hsiu-Yen	0	0.00%
Ruentex Property Management & Maintenance Co., Ltd.	Chairman	Representative of Ruentex Development Co., Ltd.: Yang, Zi-Jing	2,828,650	100.00%
	Director	Representative of Ruentex Development Co., Ltd.: Cheng, Wen-Ching	2,828,650	100.00%
		Representative of Ruentex Development Co., Ltd.: Chen, Xue-Xian	2,828,650	100.00%

Affiliate	Title	Name or Representative	Shareholdings	
			Shares	Shareholding percentage
	Supervisors	Representative of Ruentex Development Co., Ltd.: Lin, Chin-Szu	2,828,650	100.00%
	President	Huang,Chih-Chi	—	—
Ruentex Security Co., Ltd.	Chairman	Representative of Ruentex Development Co., Ltd.: Yang, Zi-Jing	6,900,000	100.00%
	Director	Representative of Ruentex Development Co., Ltd.: Jean,Tsang-Jiunn	6,900,000	100.00%
		Representative of Ruentex Development Co., Ltd.: Chen, Xue-Xian	6,900,000	100.00%
	Supervisors	Representative of Ruentex Development Co., Ltd.: Chen, Chih-Chuan	6,900,000	100.00%
	President	Huang,Chih-Chi	—	—
Ruen Fu Newlife Corp.	Chairman	Representative of Ruentex Development Co., Ltd.: Yang, Zi-Jing	1,200,000	60.00%
	Director	Representative of Ruentex Development Co., Ltd.: Jean,Tsang-Jiunn	1,200,000	60.00%
		Representative of Ruentex Development Co., Ltd.: Meng, Fan-Wen	1,200,000	60.00%
	Supervisors	Representative of Ruentex Industries Ltd.: Chen, Chih-Chuan	800,000	40.00%
Ruentex Innovative Development Co. Ltd.	Chairman	Representative of Ruentex Development Co., Ltd.: Jean,Tsang-Jiunn	198,800,000	70.00%
	Director	Representative of Ruentex Development: Lee, Chih-Hung	198,800,000	70.00%
		Representative of Mitsubishi Estate Co., Ltd.: Tougenn Shoubunn	85,200,000	30.00%
	Supervisors	Chang, Hsiu-Yen	0	0.00%
Ruentex Engineering & Construction Co., Ltd.	Chairman	Representative of Ruentex Development Co., Ltd.: Lee, Chih-Hung	72,397,456	39.14%
	Director	Representative of Yingjia Investment Co., Ltd.: Mo, Wei-Han	11,558,690	6.25%
		Representative of Ruentex Development Co., Ltd.: Chang,Kun-Long	72,397,456	39.14%
		Representative of Ruen Hua Dyeing & Weaving Co., Ltd.: Yin, Chung-Yao	3,540,080	1.91%
		Representative of Huei Hong Investment Co., Ltd.: Chen, Chih-Chuan	493,200	0.26%
		Cao, Sho-Min	0	0.00%

Affiliate	Title	Name or Representative	Shareholdings	
			Shares	Shareholding percentage
	Independent Director	Shen, Xiao-Ling	0	0.00%
		Zheng, Hui-Bin	0	0.00%
		Lin, Kuo-Feng	0	0.00%
	President	Wei-han Mo	8,000	0.00%
Ruentex Materials Co., Ltd.	Chairman	Representative of Ruentex Engineering & Construction Co., Ltd.: Mo, Wei-Han	58,726,917	39.15%
	Director	Representative of Ruentex Industries Ltd.: Hsu, Sheng-Yu	7,139,530	4.76%
		Representative of Ruentex Engineering & Construction Co., Ltd.: Lee, Chih-Hung	58,726,917	39.15%
		Representative of Ruentex Industries Ltd.: Chen, Hsueh-Hsien	7,139,530	4.76%
		Representative of Huei Hong Investment Co., Ltd.: Yin, Chung-Yao	4,214,222	2.81%
		Representative of Huei Hong Investment Co., Ltd.: Chen, Chih-Chuan	4,214,222	2.81%
	Independent Director	Chen, Ming-Jin	0	0.00%
		Chang, Guo-Zhen	0	0.00%
		Chang, Da-Peng	0	0.00%
	President	Chen, Hsueh-Hsien	890,000	0.59%
Ruen Yang Construction Co., Ltd.	Chairman	Representative of Ruentex Engineering & Construction Co., Ltd.: Lee, Zhen-Hong	600,000	100.00%
	Director	Representative of Ruentex Engineering & Construction Co., Ltd.: Chang, Gong-Chen	600,000	100.00%
		Representative of Ruentex Engineering & Construction Co., Ltd.: Lee, Guang-Ming	600,000	100.00%
	Supervisors	Representative of Ruentex Engineering & Construction Co., Ltd.: Lee, Yao-Qin	600,000	100.00%
Ruentex Interior Design Inc.	Chairman	Representative of Ruentex Materials Co., Ltd.: Jean, Tsang-Jiunn	5,250,000	38.89%
	Director	Representative of Ruentex Materials Co., Ltd.: Lee, Chih-Hung	5,250,000	38.89%
		Representative of Ruentex Materials Co., Ltd.: Yin, Chung-Yao	5,250,000	38.89%
		Lu, Yu-Huang	358,000	2.65%
		Ho, Kai-Lin	0	0.00%
	Supervisors	Lin, Chin-Szu	0	0.00%
		Lee, Yao-Qin	30,000	0.22%

2. Performance of Affiliates

Unit: NTD/USD/HKD Thousands; Date: December 31, 2021

Affiliate	Authorized Capital	Total Assets	Total liability	Net Worth	Operation income	Operating Income	Income of the Period After Taxes	EPS (NT\$) After Taxes
Ruentex Construction International BVI	(USD) 25,000	1,814,484	138	1,814,346	0	(743)	6,713	—
Ruentex Construction International Ltd	(HK) 7,800	20,609	138	20,471	0	(620)	(582)	—
Ruentex Construction & Development Co., Ltd. (Previous named City-Link Development Co., Ltd.)	2,000,000	4,749,125	2,345,679	2,403,446	285,092	(103,076)	91,315	0.46
Ruentex Baiyi Co., Ltd.	2,000,000	7,943,256	5,565,413	2,377,843	753,121	373,851	221,695	1.11
Ruentex Xuzhan Co. Ltd.	2,000,000	11,470,077	9,003,443	2,446,634	954,520	417,553	255,445	1.28
Ruentex Property Management & Maintenance Co., Ltd.	28,287	115,111	69,650	45,461	273,388	8,807	10,103	3.57
Ruentex Security Co., Ltd.	69,000	127,900	36,871	91,029	164,576	(420)	12,508	1.81
Ruen Fu Newlife Corp.	20,000	32,876	30,939	1,937	43,198	(14,744)	(12,103)	(6.05)
Ruentex Innovative Development Co. Ltd.	2,840,000	6,216,908	2,994,367	3,222,542	2,680,463	603,212	482,864	0.17
Ruentex Engineering & Construction Co., Ltd.	1,849,500	12,211,027	5,534,942	6,676,085	17,943,371	2,283,591	1,842,218	9.96
Ruentex Materials Co., Ltd.	1,500,000	5,526,227	3,282,754	2,243,473	2,629,500	(7,625)	(103,741)	(0.69)
Ruen Yang Construction Co., Ltd.	6,000	10,201	7,121	3,081	20,723	(6,987)	(6,190)	(10.32)
Ruentex Interior Design Inc.	135,000	817,191	398,272	418,919	910,639	45,473	39,776	5.20

(2) Consolidated Financial Statements of Affiliates:

The affiliates included in our 2021 Consolidated Financial Statements are identical with those required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards Board (IASB), International Accounting Standards (IASs), and Standing Interpretations Committee (SICs) accredited by the FSC. In addition, the information to be disclosed by affiliates in their Consolidated Financial Statements has been disclosed in the Consolidated Financial Statements of said parent company. Therefore, no separate Consolidated Financial Statements of affiliates will be published.

(3) Repots on Relations with Affiliates: None.

II. Private placements of securities in the previous year and by the date of report publication: None.

III. Stocks of this Company held and disposed by subsidiaries in the previous year and by the date of report publication:

Name of Subsidiary	Paid-in capital	Capital Source	Shareholding percentage of the Company	Date of Acquisition or Disposal	Number and Amount of Shares Acquired	Number and Amount of Shares Disposed	Profit and Loss on Investments	Number of Shares Held by March 31, 2021 and Their Face Value	Pledge Creation	Amount of Endorsements and Guarantees for Subsidiaries	Amount of Lending to Subsidiaries
Ruentex Engineering & Construction Co., Ltd.	1,849,500	Self-owned Funds	40.07% (Comprehensive Shareholding)	-	-	-	-	7,195 thousand shares NT\$19,984,000	-	-	-
This Year and by the Date of Report Publication					-	-	-	7,195 thousand shares NT\$19,984,000	-	-	-

IV. Other required supplementary notes: None.

Nine. Events with material impacts on equity or stock price as specified in Item 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the previous year and by the date of report publication: None.

Appendix A

Ruentex Development Co., Ltd. and subsidiaries
Consolidated Financial Statements and Report of
Independent Accountants
2021 and 2020
(Stock Code: 9945)

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

Ruentex Development Co., Ltd. and subsidiaries
Consolidated Financial Statements and Report of Independent Accountants of 2021 and
2020
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Ruentex Development Co., Ltd. and subsidiaries

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2021, from January 1 to December 31, 2021, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the companies that are required to be included in the consolidated financial statements of affiliates, are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. In addition, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare.

Company name: Ruentex Development Co., Ltd.

Responsible Person: Jean, Tsang-Jiunn

March 15, 2022

Accountants' Audit Report

(2022) Cai-Shen-Bao-Zi No.21004684

Ruentex Development Co., Ltd.

The Board of Directors and Shareholders:

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, 2021 and Dec. 31, 2020, the consolidated comprehensive income statements, equity statements and cash flow statements of Ruentex Group for the period from Jan. 1 to Dec. 31, 2021 and the period from Jan. 1 to Dec. 31, 2020, 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, 2021 and 2020, 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 2021. 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 2021 are as follows:

Accuracy of Investment Balance Accounted for using equity method

Description of Key Audit Matters

As of December 31, 2021, Ruentex Group's investments accounted under equity method were NT\$111,113,852 thousand, representing 57.94% 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.

Assessment on Recognition of Construction Income - Construction Completion Progress

Description of Key Audit Matters

For the year of 2021, the Group's construction contract revenue was NT\$14,941,688 thousand, representing 54.74% of consolidated operating revenue. Please see Note 4(31) for accounting policies on revenue recognition, Note 5(2) for critical accounting estimates and assumptions and Note 6(27) for details of significant accounts.

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 listing the assessment on the construction completion progress used in the recognition of construction income as one of the key matters in this year's audit.

Corresponding Audit Procedures

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

1. We obtained an understanding of the nature of business and industry of the Group and assessed the reasonableness of internal process of estimating total construction cost, including the procedure of estimating each construction cost and overhead, 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. We conducted field survey and interviewed major construction sites not yet in progress at the end of the period.
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.

Accuracy of Time for Recognition of Construction Cost

Description of Key Audit Matters

Please see Note 4(31) 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 consolidated 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.

Other matter - Reference to audits of other independent 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, 2021 and 2020, were NT\$53,240 thousand and NT\$42,619 thousand, respectively, and constituted 0.03% and 0.02% of total consolidated assets. Their total operating income of NT\$43,198 thousand and NT\$45,251 thousand for the period from Jan. 1 to Dec. 31, 2021 and the period from Jan. 1 to Dec. 31, 2020, constituting 0.16% and 0.24% of total consolidated operating income. The aforementioned investments recognized under equity method as of December 31, 2021 and 2020 were NT\$2,965,691 thousand and NT\$7,071,122 thousand, respectively, and constituted 1.55% and 3.79% 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\$(586,023) thousand and NT(422,867) thousand for the period from Jan. 1 to Dec. 31, 2021 and the period from Jan. 1 to Dec. 31, 2020, respectively, constituting 9.63% and 1.21% 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, 2021 and 2020.

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 2021 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

Chang,Shu-Chiung

Certified Public Accountant

Huang,Chin-Lien

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

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

March 15, 2022

Ruentex Development Co., Ltd. and the Subsidiaries
Consolidated Balance Sheet
December 31, 2021 and 2020

December 31, 2021 and 2020					Unit: NTD in Thousands	
Assets		Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 9,162,752	5	\$ 4,709,372	2
1120	Financial Assets at fair value through other comprehensive income acquired - Current	6(6)	1,303,338	1	-	-
1136	Financial assets measured by amortized cost - current	6(7)	319,000	-	-	-
1140	Contract asset - current	6(27) and 7	3,024,330	1	2,440,546	1
1150	Net bills receivable	6(3)	1,176,984	1	136,917	-
1160	Bills receivable - related parties - net	7	-	-	40,931	-
1170	Net Accounts Receivable	6(3) (31)	1,327,503	1	1,033,849	1
1180	Accounts receivable - related parties - net	7	545	-	4,136	-
1200	Other receivables		19,564	-	23,810	-
1210	Other Receivables - related party	7	13,144	-	12,494	-
1220	Current income tax assets		9,910	-	15,922	-
130X	Inventories	6(4), 7 and 8	28,893,053	15	29,003,884	16
1410	Prepayments		533,359	-	364,976	-
1460	Non-current assets held for sale, net	6(14) and 7	-	-	16,415	-
1470	Other Current Assets	6(1)(5) and 8	1,680,666	1	1,399,347	1
11XX	Total current assets		47,464,148	25	39,202,599	21
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	4,196,121	2	3,578,218	2
1535	Amortized cost financial Assets - non-Current	6(7)	560,000	-	560,000	-
1550	Investments accounted for using equity method	6(8), 7, and 8	111,113,852	58	113,459,105	61
1600	Property, plant, and equipment	6(9)(16), 7, and 8	4,814,387	3	4,831,865	3
1755	Right-of-use assets	6(10), 7 and 8	2,369,824	1	2,567,028	2
1760	Net value of investment properties	6(12) and 8	20,083,439	11	20,981,591	11
1780	Intangible Assets	6(13)(16)	191,469	-	253,971	-
1840	Deferred tax Assets	6(35)	391,703	-	296,146	-
1930	Long-term notes and accounts receivable	6(11)	368,261	-	426,038	-
1990	Other non-current assets - others	6(1)(15) and 8	227,163	-	195,552	-
15XX	Total non-current assets		144,316,219	75	147,186,776	79
1XXX	Total Assets		\$ 191,780,367	100	\$ 186,389,375	100

(Continued)

Ruentex Development Co., Ltd. and the Subsidiaries
Consolidated Balance Sheet
December 31, 2021 and 2020

Unit: NTD in Thousands
December 31, 2020

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
Current Liabilities						
2100	Short-term borrowings	6(17) and 8	\$ 2,280,000	1	\$ 2,750,000	1
2110	Short-term bills payable	6(18) and 8	5,127,675	3	4,878,621	3
2130	Contract liabilities - current	6(27) and 7	3,400,311	2	2,576,469	1
2150	Notes payable		909,803	1	859,066	-
2160	Notes payable - related party	7	61,199	-	31,199	-
2170	Accounts payable		2,726,242	1	2,306,722	1
2180	Accounts payable - related party	7	14,887	-	17,259	-
2200	Other payables	7	1,267,629	1	1,039,009	1
2230	Income tax liabilities of current period		882,630	-	1,365,523	1
2280	Lease liabilities - current	6 (10) and 7	277,988	-	204,307	-
2310	Advance receipts	6(20)	151,585	-	155,610	-
2320	Long-term liabilities due within one year or one operating cycle	6(19) and 8	6,579,363	3	8,642,512	5
2399	Other current liabilities - other		13,556	-	22,132	-
21XX	Total Current Liabilities		23,692,868	12	24,848,429	13
Non-current liabilities						
2540	Long-term borrowings	6(19) and 8	31,941,834	17	28,106,090	15
2570	Deferred income tax liabilities	6(35)	964,626	1	1,674,293	1
2580	Lease liabilities - non-current	6 (10) and 7	10,190,556	5	10,876,133	6
2670	Other non-current liabilities - others	6 (20) (21)	1,885,931	1	1,919,079	1
25XX	Total Non-Current Liabilities		44,982,947	24	42,575,595	23
2XXX	Total Liabilities		68,675,815	36	67,424,024	36
Equity						
Equity attributed to owners of the parent						
	Capital	6(23)				
3110	Share capital		21,068,334	11	15,048,810	8
	Capital surplus	6(24)				
3200	Capital surplus		18,160,798	9	18,147,191	9
	Retained earnings	6(25)				
3310	Legal reserve		5,318,436	3	4,472,550	3
3320	Special reserve		507,767	-	507,767	-
3350	Undistributed earnings		45,429,787	24	37,360,519	20
	Other Equities	6(26)				
3400	Other Equities		26,461,551	14	38,792,132	21
3500	Treasury stock	6(23)	(84,639)	-	(84,639)	-
31XX	Total equity attributable to owners of the parent company		116,862,034	61	114,244,330	61
36XX	Non-controlling Interest	6(36)	6,242,518	3	4,721,021	3
3XXX	Total Equity		123,104,552	64	118,965,351	64
	Significant contingent liabilities and unrecognized contractual commitments	9				
	Significant subsequent events	11				
3X2X	Total Liabilities and Equity		\$ 191,780,367	100	\$ 186,389,375	100

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

Chairman: Jean, Tsang-Jiunn

Manager: Lee, Chih-Hung

Accounting Manager: Lin, Chin-Tzu

Ruentex Development Co., Ltd. and the Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2021 and 2020

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

	Item	Notes	2021		2020	
			Amount	%	Amount	%
4000	Operation income	6(27) and 7	\$ 27,293,884	100	\$ 19,084,589	100
5000	Operation Cost	6(4)(21)(28)				
		(33)(34) and 7	(21,563,935)	(79)	(15,145,020)	(79)
5900	Gross profit		5,729,949	21	3,939,569	21
	Operating Expenses	6 (21)(33) (34) and 7				
6100	Selling and marketing expenses		(829,242)	(3)	(724,252)	(4)
6200	Administrative expense		(1,232,357)	(5)	(1,068,046)	(6)
6300	R&D expenses		(71,795)	-	(60,690)	-
6450	Expected credit impairment	6(33)				
	gains (losses)		295	-	(1,574)	-
6000	Total Operating Expenses		(2,133,099)	(8)	(1,854,562)	(10)
6900	Operating Profit		3,596,850	13	2,085,007	11
	Non-operating Income and Expenses					
7100	Interest revenue	6(7)(29)and 7	38,796	-	63,045	-
7010	Other income	6(30)	238,511	1	291,527	2
7020	Other gains and losses	6(31)	(271,667)	(1)	(121,739)	-
7050	Financial costs	6 (32) and 7	(613,114)	(2)	(698,112)	(4)
7060	Share of income of associates	6(8)				
	and joint ventures accounted for					
	using the equity method		14,975,298	55	9,158,734	48
7000	Total non-operating income					
	and expenses		14,367,824	53	8,693,455	46
7900	Net profit before tax		17,964,674	66	10,778,462	57
7950	Income tax expense	6(35)	(473,986)	(2)	(1,503,070)	(8)
8200	Net income of current period		\$ 17,490,688	64	\$ 9,275,392	49

(Continued)

Ruentex Development Co., Ltd. and the Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2021 and 2020

		Unit: NTD in Thousands (Except earnings per share, which is in NT\$)			
		2021		2020	
Item	Notes	Amount	%	Amount	%
Other comprehensive income (net)					
Items not to be reclassified into profit or loss					
8311 Remeasurements of defined benefit plans	6(21)	\$ 16,822	-	(\$ 10,014)	-
8316 Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(6)	1,919,919	7	(63,424)	-
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(26)	238,026	1	(136,355)	(1)
8349 Income tax relating to non-reclassified items	6(35)	(78,868)	-	4,586	-
8310 Total of items not to be reclassified into profit or loss		<u>2,095,899</u>	<u>8</u>	<u>(205,207)</u>	<u>(1)</u>
Items may be reclassified subsequently to profit or loss					
8361 Exchange differences on translating foreign operations		(146,904)	(1)	(345,896)	(2)
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(26)	(13,647,958)	(50)	26,356,310	138
8399 Income tax related to items may be reclassified into profit or loss	6(35)	<u>295,263</u>	<u>1</u>	<u>(59,134)</u>	<u>-</u>
8360 Total of items may be reclassified subsequently to profit or loss		<u>(13,499,599)</u>	<u>(50)</u>	<u>25,951,280</u>	<u>136</u>
8300 Other comprehensive income (net)		<u>(\$ 11,403,700)</u>	<u>(42)</u>	<u>\$ 25,746,073</u>	<u>135</u>
8500 Total Comprehensive Income Current Period		<u>\$ 6,086,988</u>	<u>22</u>	<u>\$ 35,021,465</u>	<u>184</u>
Profit attributable to:					
8610 Owners of the parent		<u>\$ 16,242,546</u>	<u>59</u>	<u>\$ 8,557,651</u>	<u>45</u>
8620 Non-controlling Interest		<u>\$ 1,248,142</u>	<u>5</u>	<u>\$ 717,741</u>	<u>4</u>
Comprehensive Income attributed to:					
8710 Owners of the parent		<u>\$ 4,105,400</u>	<u>15</u>	<u>\$ 34,343,978</u>	<u>180</u>
8720 Non-controlling Interest		<u>\$ 1,981,588</u>	<u>7</u>	<u>\$ 677,487</u>	<u>4</u>
Earnings per share					
9750 Basic earnings per share	6(37)	<u>\$ 7.98</u>		<u>\$ 4.20</u>	
9850 Diluted earnings per share		<u>\$ 7.97</u>		<u>\$ 4.20</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-Tzu

Ruentex Development Co., Ltd. and the Subsidiaries
Consolidated statement of changes in Equity
For the Years Ended December 31, 2021 and 2020

Unit: NTD in Thousands

Notes	Equity attributed to owners of the parent							Total	Non-controlling Interest	Total Equity
	Share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Other Equities	Treasury stock			
<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	\$ 4,499,463	\$ 85,392,280
Net income of current period	6(25)(36) -	-	-	-	8,557,651	-	-	8,557,651	717,741	9,275,392
Other Comprehensive Income	6(25)(36) -	-	-	-	(93,002)	25,879,329	-	25,786,327	(40,254)	25,746,073
Total Comprehensive Income Current Period	-	-	-	-	8,464,649	25,879,329	-	34,343,978	677,487	35,021,465
Appropriation and distribution of the earnings for 2019:	6(25)									
Legal reserve	-	-	656,143	-	(656,143)	-	-	-	-	-
Special reserve	-	-	-	(29,015,899)	29,015,899	-	-	-	-	-
Cash dividends	-	-	-	-	(1,003,254)	-	-	(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(24) -	(351)	-	-	-	-	-	(351)	-	(351)
Changes in associates & joint ventures accounted for using equity method	6(24)(25)(26) -	11,140	-	-	-	-	-	11,140	-	11,140
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	6(6)(25)(26) -	-	-	-	(5,791)	5,791	-	-	-	-
Decrease in non-controlling interests	6(36) -	-	-	-	-	-	-	-	(455,929)	(455,929)
Balance on December 31, 2020	<u>\$ 15,048,810</u>	<u>\$ 18,147,191</u>	<u>\$ 4,472,550</u>	<u>\$ 507,767</u>	<u>\$ 37,360,519</u>	<u>\$ 38,792,132</u>	<u>(\$ 84,639)</u>	<u>\$ 114,244,330</u>	<u>\$ 4,721,021</u>	<u>\$ 118,965,351</u>
<u>2021</u>										
Balance at January 1, 2021	\$ 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
Net income of current period	6(25)(36) -	-	-	-	16,242,546	-	-	16,242,546	1,248,142	17,490,688
Other Comprehensive Income	6(25)(36) -	-	-	-	80,300	(12,217,446)	-	(12,137,146)	733,446	(11,403,700)
Total Comprehensive Income Current Period	-	-	-	-	16,322,846	(12,217,446)	-	4,105,400	1,981,588	6,086,988
Appropriation and distribution of the earnings for 2020:	6(25)									
Legal reserve	-	-	845,886	-	(845,886)	-	-	-	-	-
Cash dividends	-	-	-	-	(1,504,881)	-	-	(1,504,881)	-	(1,504,881)
Share dividend	6,019,524	-	-	-	(6,019,524)	-	-	-	-	-
Reversal of dividends unclaimed by shareholders with claim period elapsed	6(24) -	(259)	-	-	-	-	-	(259)	-	(259)
Changes in associates & joint ventures accounted for using equity method	6(24)(25)(26) -	3,978	-	-	3,578	-	-	7,556	-	7,556
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	6(6)(25)(26) -	-	-	-	113,135	(113,135)	-	-	-	-
Changes in the ownership interests of subsidiaries as recognized	6(24)(36) -	9,888	-	-	-	-	-	9,888	169,615	179,503
Decrease in non-controlling interests	6(36) -	-	-	-	-	-	-	-	(629,706)	(629,706)
Balance on December 31, 2021	<u>\$ 21,068,334</u>	<u>\$ 18,160,798</u>	<u>\$ 5,318,436</u>	<u>\$ 507,767</u>	<u>\$ 45,429,787</u>	<u>\$ 26,461,551</u>	<u>(\$ 84,639)</u>	<u>\$ 116,862,034</u>	<u>\$ 6,242,518</u>	<u>\$ 123,104,552</u>

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

Chairman: Jean, Tsang-Jiunn

Manager: Lee, Chih-Hung

Accounting Supervisor: Lin, Chin-Tzu

Ruentex Development Co., Ltd. and subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

Unit: NTD in Thousands

	Notes	2021	2020
Cash flows from operating activities			
Profit before Income Tax current period	\$	17,964,674	\$ 10,778,462
Adjustment item			
Income and expenses			
Depreciation expense	6(33)	1,064,793	985,441
Amortization expense	6(33)	12,615	12,248
Expected credit impairment (incomes) losses	6(33) (	295)	1,574
Interest Cost	6(32)	613,114	698,112
Interest revenue	6(29) (	38,796)	(63,045)
Dividend income	6(30) (	48,967)	(128,297)
Share of profit of associates accounted for using the equity method	6(8) (	14,975,298)	(9,158,734)
Real estate properties, plants and equipment reclassified as expenses	6(9)(38)	-	76
Intangible assets reclassified as expense	6(13)(38)	-	543
Loss (gain) on disposal of property, plant and equipment	6(31)	3,979 (	19,303)
Gain on disposal of non-current assets held for sale	6(31) (	18,315)	(27,584)
Valuation profit on financial assets at fair value through profit or loss	6(2)(31) (	12,018)	(3,564)
Gains on reversal of financial assets impairment loss	6(2)(31)	-	(1,105)
Gains on lease modifications	6(10)(31)	-	(23)
Loss on liquidation of subsidiary	6(31)	24,618	-
Impairment loss on property, plant and equipment	6(31)	66,151	-
Impairment loss on intangible assets	6(31)	73,212	-
Impairment loss on use-of-right assets	6(31)	216	1,543
Impairment loss on investment properties	6(31)	717	1,656
Employee stock option expenses	6(22)(34)	37,079	-
Other income	(	34,514)	(16,102)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contractual assets - Current	(	583,784)	(1,164,822)
Notes receivable	(	1,040,067)	120,956
Bills receivable - related parties		40,931 (	31,911)
Accounts Receivable	(	293,359)	36,367
Accounts Receivable – related Party		3,591 (	2,302)
Other receivables		3,211 (	2,029)
Other receivables - related Party		1,450	189
Inventories		211,900 (	1,999,884)
Prepayments	(	168,383)	(122,851)
Other Current Assets	(	17,346)	(86,972)
Long-term notes and accounts receivable		57,777	34,916
Other non-current Assets		5,538	16,742
Net change in liabilities related to operating activities			
Contractual Liabilities - Current		823,842	1,403,532
Notes payable		50,737	178,022
Notes Payable – related Party		30,000	14,623
Accounts payable		419,520	364,207
Accounts Payable – related Party	(	2,372)	(391)
Other payables		229,341	54,461
Other Current Liabilities	(	5,222)	145,561
Other non-Current liabilities	(	7,882)	24,423
Cash flow in from operating		4,492,388	2,044,735
Interest received		37,948	64,845
Amount of interest Paid	(	712,263)	(795,124)
Dividends received		3,790,669	735,100
Income tax refunded		12,772	68
Income tax paid	(	1,553,069)	(290,533)
Cash inflow from operating activities		6,068,445	1,759,091

(Continued)

Ruentex Development Co., Ltd. and subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

Unit: NTD in Thousands

	Notes	2021	2020
<u>Cash flows from investing activities</u>			
Costs returned for financial assets at fair value through profit or loss	6(2)	\$ -	\$ 1,105
Acquisition of financial assets at fair value through profit or loss	6(2)	-	(33,835)
Proceeds from disposal of financial assets at fair value through profit or loss		-	38,373
Acquisition of financial Assets at fair value through other comprehensive income acquired - non-Current	6(38)	(197,943)	-
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 acquired - non-current	6(6)	124,320	61,530
Acquisition of financial assets measured at amortized costs - current	6(7)	(319,000)	(8,521)
Disposal of financial assets measured at amortized costs - current		-	34,083
Share capital returned from capital reduction in financial assets at fair value through other comprehensive income - non-current	6(6)	127,438	-
Investment accounted for under the equity method	6(8)	(90,000)	(87,500)
Return of funds to reduced investment adopting the Equity method	6(8)	99,000	-
Investment in real estate properties, plants, and equipment	6(9)	(326,122)	(644,390)
Disposal the payment of real estate, plants, and equipment		2,516	39,033
Investment real estate acquired	6(12)	(1,638)	-
Acquisition of intangible assets	6(38)	(23,325)	(22,372)
Increase in other financial assets		(292,078)	(532,258)
Proceeds from disposal of non-current assets held for sale		34,645	70,610
Interior design subsidy acquired listed as a deduction of unfinished construction		2,396	-
Increase in prepayments for equipment		(73,767)	(88,272)
Cash used in investing activities		(933,558)	(1,049,911)
<u>Cash flows from financing activities</u>			
Net decrease in short-term borrowings	6(39)	(470,000)	(573,000)
Net increase in short-term bills payable	6(39)	250,000	1,840,000
Amount of long-term borrowings	6(39)	49,493,000	27,275,000
Repayments of long-term borrowings	6(39)	(47,723,000)	(30,028,000)
Decrease in guarantee deposits received	6(39)	(8,444)	(4,742)
Cash dividends paid	6(25)	(1,504,881)	(1,003,254)
Principal elements of lease payments	6(10)(39)	(227,666)	(200,261)
Changes in non-controlling interest	6(36)	(486,645)	(455,929)
Cash used in financing activities		(677,636)	(3,150,186)
Effects of exchange rate change on cash		(3,871)	2,677
Net increase (decrease) in cash and cash equivalents		4,453,380	(2,438,329)
Cash and cash equivalents at the beginning of the period		4,709,372	7,147,701
Cash and cash equivalents at the end of year		\$ 9,162,752	\$ 4,709,372

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

Chairman: Jean, Tsang-Jiunn

Manager: Lee, Chih-Hung

Accounting Manager: Lin, Chin-Tzu

Ruentex Development Co., Ltd. and subsidiaries
Notes to the Consolidated Financial Statements
2021 and 2020

Unit: NTD in Thousands
(Unless Stated Otherwise)

1. Company History

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

2. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were authorized for issuance by the Company’s board of directors on March 15, 2022.

3. Application of New, Amended and Revised Standards and Interpretations

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

New standards, interpretations and amendments endorsed by FSC effective from 2021 are as follows:

	<u>To be determined by the</u> <u>International</u> <u>Accounting Standards</u> <u>Board (IASB)</u> <u>Effective date of IASB</u> <u>announcement</u>
<u>New and revised standards, amendments to standards and interpretations</u>	
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying of IFRS 9”	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 - “Interest Rate Benchmark Reform - Phase 2”	January 1, 2021
Amendment to IFRS 16 - “COVID-19-Related Rent Concessions After June 30, 2021”	April 1, 2021 (Note)

Note: The FSC allowed for the application of the amendment in advance from January 1, 2021 onward.

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

Amendment to IFRS 16 - “COVID-19-Related Rent Concessions After June 30, 2021”

This amendment has allowed the lessee to choose the COVID-19-related rent concessions as a practical expedient, it shall meet all the specified criteria for lease payment reduction. It only affect the expiration dates before June 30, 2021. The extension only affects the payments originally due before June 30, 2022. Please refer to 6(10) for details.

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

New standards, interpretations and amendments endorsed by FSC effective from 2022 are as follows:

	<u>To be determined by the International Accounting Standards Board (IASB)</u>
<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date of IASB announcement</u>
Amendment to IFRS 3 - "Reference to the Conceptual Framework"	January 1, 2022
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022
2018-2020 annual improvements cycle	January 1, 2022
The above standards and interpretations have no significant impact on the Group’s financial position and financial performance based on the Group’s assessment.	

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

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

	<u>To be determined by the International Accounting Standards Board (IASB)</u>
<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date of IASB announcement</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by the International Accounting Standards Board (IASB)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 - “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
Amendment to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies”	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 - “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023

Except for the potential impact of IFRS 17 "Insurance Contracts" and its amendments on investments using the equity method, which is currently under evaluation, it is temporarily unable to reasonably estimate the impact on the Group. The Group has assessed the impact of the standards and interpretations above on its financial position and financial performance. There is no significant impact, and the relevant amount impacted will be disclosed when the assessment is completed.

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

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

(2) Basis of preparation

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

(3) Basis of consolidation

1. Basis for preparation of consolidated financial statements
 - (1) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtained control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (2) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (3) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if

these results in the non-controlling interests having a deficit balance.

- (4) Changes in parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. The Company recognizes directly in equity any difference between the adjusted amount of non-controlling equity and the fair value of the consideration paid or received.
- (5) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the association or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

2. Subsidiaries included in the consolidated financial statements:

			<u>Percentage of shareholding (%)</u>		<u>Description</u> (Notes 8 & 13)
<u>The Investee Company</u> <u>Name</u>	<u>Subsidiaries Name</u>	<u>Business nature</u>	<u>2021 Dec.31</u>	<u>2020 Dec.31</u>	
Ruentex Development Co., Ltd.	Ruentex Construction International Co., Ltd. (Ruentex Construction)	Operating shopping center, self-operated counter, commercial real estate leasing, residential buildings and building rental and sale business development and Enterprise Management consultant Business	100.00	100.00	
Ruentex Development Co., Ltd.	Ruentex Construction International BVI Co., Ltd. (Ruentex B.V.I.)	General Investment	100.00	100.00	
Ruentex Development Co., Ltd.	Ruentex Property Management and Maintenance Co., Ltd. (Ruentex Property)	Property Management and Maintenance Services	100.00	100.00	
Ruentex Development Co., Ltd.	Ruen Fu Newlife Corp. (Ruen Fu)	Senior Citizen's housing and buildings general affairs administration	60.00	60.00	(Notes 1 & 5)
Ruentex Development Co., Ltd.	Ruentex Security Co., Ltd. (Ruentex Security)	Ruentex Security Co., Ltd.	100.00	100.00	
Ruentex Development Co., Ltd.	Ruentex Syu Jan Co., Ltd. (Ruentex Syu Jan)	Mall Operations and Commercial Property Leasing	80.00	80.00	

<u>The Investee Company</u>			<u>Percentage of shareholding (%)</u>		<u>Description</u> (Notes 6 & 12)
<u>Name</u>	<u>Subsidiaries Name</u>	<u>Business nature</u>	<u>2021 Dec.31</u>	<u>2020 Dec.31</u>	
Ruentex Development Co., Ltd.	Ruentex Pai Yi Co., Ltd. (Ruentex Pai Yi)	Mall Operations and Commercial Property Leasing	35.00	100.00	
Ruentex Development Co., Ltd.	Ruentex Precision Engineering Co., Ltd. (Ruentex Engineering)	Undertaking Construction and Civil Engineering Projects, the Import, Export, Production, and Planning of Precast Beams, Columns, and Exterior Walls, and Related Electrotechnical Projects	39.14	39.14	(Note 2)
Ruentex Development Co., Ltd.	Ruentex Material Co., Ltd. (Ruentex Material)	Production and distribution of building materials	10.49	10.49	(Note 2)
Ruentex Development Co., Ltd.	Ruentex Interior Design Inc. (Ruentex Design)	Design and Construction of Interior Decoration, Gardens, and Greenery	5.45	-	(Notes 9 & 11)
Ruentex Development Co., Ltd.	Ruentex Development Company (Ruentex Development)	Commissioning Constructor to Build Collective Housing and Sales	70.00	70.00	
Ruentex Construction International Co., Ltd. (Ruentex Construction)	Ruentex Pai Yi Co., Ltd. (Ruentex Pai Yi)	Mall Operations and Commercial Property Leasing	65.00	-	(Notes 7 & 12)
Ruentex Construction International (B.V.I.) Ltd.	Ruentex Construction International Ltd. (Ruentex Construction)	General Investment	100.00	100.00	(Note 1)
Ruentex Security Co., Ltd.	Ruentex Precision Engineering Co., Ltd. (Ruentex Engineering)	Undertaking Construction and Civil Engineering Projects, the Import, Export, Production, and Planning of Precast Beams, Columns, and Exterior Walls, and Related Electrotechnical Projects	0.72	0.72	Note 2

<u>The Investee Company</u>		<u>Business nature</u>	<u>Percentage of shareholding (%)</u>		<u>Description</u> (Note 2)
			<u>2021 Dec.31</u>	<u>2020 Dec.31</u>	
<u>Name</u>	<u>SubsidiariesName</u>				
Ruentex Property Management and Maintenance Co., Ltd.	Ruentex Precision Engineering Co., Ltd. (Ruentex Engineering)	Undertaking Construction and Civil Engineering Projects, the Import, Export, Production, and Planning of Precast Beams, Columns, and Exterior Walls, and Related Electrotechnical Projects	0.20	0.20	
Ruentex Precision Engineering Co., Ltd.	Ruentex Material Co., Ltd. (Ruentex Material)	Production and distribution of building materials	39.15	39.15	(Note 2)
Ruentex Precision Engineering Co., Ltd.	Ruentex Interior Design Inc. (Ruentex Design)	Design and Construction of Interior Decoration, Gardens, and Greenery	20.34	-	(Notes 9 & 10)
Ruentex Precision Engineering Co., Ltd.	Ruen Yang Construction Co., Ltd. (Ruentex Construction)	Civil Engineering Projects	100.00	100.00	
Ruentex Precision Engineering Co., Ltd.	Runzhu Architecture and Engineering (Shanghai) Co., Ltd. (Runzhu)	Technical Consulting and service of construction engineering	-	100.00	(Note 3)
Ruentex Material Co., Ltd.	Ruentex Interior Design Inc. (Ruentex Design)	Design and Construction of Interior Decoration, Gardens, and Greenery	38.89	100.00	(Notes 4 & 9)

Note 1: Audited by other independent accountants for the years ended December 31, 2021 and 2020.

Note 2: Though the Company does not own more than 50% of the voting rights directly or indirectly, but meets the requirement of controlling capability, and thus it is included in the consolidated entity.

Note 3: The shareholders' meeting of the Newzone Fashion Ltd. had resolved to cease the operating activities on June 30, 2020 and the liquidation and deregistration was completed on September 14, 2021. As of December 31, 2021, the capital repatriated and liquidation margin totaled NT\$169,064.

Note 4: On March 26, 2021, the board of directors of Ruentex Material resolved that for the purposes of the future development of Ruentex Design's operations, attracting and retaining professionals, consolidating resources to improve operational performance and planning for the application of listing (over-the-counter) to diversify its shareholding, Ruentex Material intends that if Ruentex Design issues new shares in one or more capital increases in cash prior to the IPO (over-the-counter), it may waive all or part of its rights to subscribe for such cash capital increase, and that all of the rights will be subscribed by Ruentex Material's shareholders in

proportion to their shareholdings as recorded in Ruentex Material's shareholders' register on the date of distribution of such rights.

- Note 5: In order to improve financial structure and strengthen the operating capital, Ruen Fu conducted a capital reduction for making-up losses in June 2021, followed by a subsequent cash capital increase by issuing 1,999,995 new shares based on the plan, the Company paid NT\$12,000 for the new issue in proportion to its shareholding.
- Note 6: To develop the business and integrate resources, the Board of Directors of Ruentex Baiyi, in July 2021, approved to conduct a capital increase in cash by issuing 362,142,857 shares. On August 12, 2021, the Company's Board of Directors unanimously approved to give up the rights to subscribe the shares issued by Ruentex Baiyi for the capital increase in cash. After the capital increase, the Company's direct shareholding decreased to 35%, but the combined direct and indirect shareholding remained at 100%.
- Note 7: The Board of Directors of Ruentex Construction approved, in August 2021, to subscribe for all 362,142,857 shares issued in the cash capital increase by Ruentex Construction, amounting to NT\$3,621,429. After the capital increase, Ruentex Construction's shareholding in Ruentex Baiyi was 65%.
- Note 8: To develop the business and integrate resources, the Board of Directors of Ruentex Construction, in July 2021, approved to conduct a capital increase in cash by issuing 362,142,857 shares. The Company's Board of Directors approved, on August 12, 2021, to subscribe in full in proportion to its shareholding.
- Note 9: The Board of Directors of Ruentex Design, in August 2021, approved to conduct a capital increase in cash by issuing 8,250,000 shares a price of NT\$30 per share. The record date of subscription was August 31, 2021. The Board of Directors of Ruentex Material, on August 12, 2021, approved to give up the right to subscribe for the shares issued in the cash capital increase by Ruentex Design. After the capital increase, Ruentex Material's shareholding in Ruentex Design decreased from 100% to 38.89%.
- Note 10: Ruentex Engineering & Construction subscribed for 2,745,483 shares issued in the cash capital increase by Ruentex Design in September 2021, in a total amount of NT\$82,365. After the capital increase, Ruentex Engineering & Construction's shareholding in Ruentex Design was 20.34%.
- Note 11: The Company subscribed for 735,862 shares issued in the cash capital increase by Ruentex Design in September 2021, in a total amount of NT\$22,076 with a direct shareholding of 5.45%. Because the Company's combined direct and indirect shareholding in Ruentex Design decreased from 26.17% to 23.78% and recognized NT\$9,888 in capital surplus - changes in the ownership interests of subsidiaries recognized (including income tax effect of NT\$637).
- Note 12: To develop the Company's business and improve the use of the funds, the extraordinary shareholders' meeting of Ruentex Baiyi, in October 2021, passed a resolution to conduct a cash capital reduction and return the capital in the amount of NT\$3,571,429. The record date of the capital reduction was November 1, 2021.
- Note 13: To improve the financial structure to compensate the deficit and to cooperate with the Company's business and improvement to the use of the funds, the Board of Directors of Ruentex Construction, on October 22, 2021, approved to conduct a capital reduction to compensate a deficit of NT\$763,418 and refund part of the share payments of NT\$1,956,755. The record date of the capital reduction is November 2, 2021.

3. Subsidiaries not included in the consolidated financial statements.

None.

4. Adjustments for subsidiaries with different balance sheet dates.

None.

5. Significant restrictions.

None.

6. Subsidiaries that have non-controlling interests that are material to the Group.

The Group's non-controlling interests accounted NT\$6,242,518 and NT\$4,721,021 as of December 31, 2021 and 2020, respectively, and the following are non-controlling interests that are material to the Group:

<u>Subsidiaries Name</u>	<u>Main business Place of Business</u>	<u>Non-controlling Interest</u>			
		<u>December 31, 2021</u>		<u>December 31, 2020</u>	
		<u>Amount</u>	<u>Percentage shareholding</u>	<u>Amount</u>	<u>Percentage shareholding</u>
Ruentex Engineering & Construction Co., Ltd.	Taiwan	\$4,781,754	59.94%	\$3,405,840	59.94%

Summary of subsidiaries' financial information:

Balance Sheet

	<u>Ruentex Engineering & Construction Co., Ltd.</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current Assets	\$ 9,167,034	\$ 5,601,484
Non-current assets	8,243,355	6,446,789
Current Liabilities	(6,262,317)	(4,373,090)
Non-current liabilities	(2,935,835)	(1,970,089)
Total net assets	<u>\$ 8,212,237</u>	<u>\$ 5,705,094</u>

Statements of Comprehensive Income

	<u>Ruentex Engineering & Construction Co., Ltd.</u>	
	<u>2021</u>	<u>2020</u>
Income	\$ 21,337,098	\$ 14,468,066
Net profit before tax	2,224,903	1,339,720
Income tax expense	(439,752)	(250,262)
Net income of current period	1,785,151	1,089,458
Other comprehensive income (Net after tax)	1,467,558	(12,539)
Total Comprehensive Income Current Period	<u>\$ 3,252,709</u>	<u>\$ 1,076,919</u>
Total comprehensive income attributed to non-controlling interest	<u>(\$ 36,560)</u>	<u>\$ 78,185</u>
Dividends paid to non-controlling interest	<u>\$ 8,212,237</u>	<u>\$ 5,705,094</u>

Statements of Cash Flows

	<u>Ruentex Engineering & Construction Co., Ltd.</u>	
	<u>2021</u>	<u>2020</u>
Cash inflow from operating activities	\$ 1,384,162	\$ 1,023,509
Cash used in investing activities	(928,074)	(435,542)
Cash flow generated from (used in) financing activities	330,455	(1,024,581)
Effects of exchange rate change on cash	(3,291)	4,278
Net increase (decrease) in cash and cash equivalents	783,252	(432,336)
Cash and cash equivalents at the beginning of the period	883,686	1,316,022
Cash and cash equivalents at the end of year	<u>\$ 1,666,938</u>	<u>\$ 883,686</u>

(4) Foreign currency translation

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

1. Foreign currency translation and balances

- (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (2) Monetary Assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (3) Non-monetary Assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary Assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date. Their translation differences are recognized in other comprehensive income. However, non-monetary Assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (4) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

2. Translation of foreign operations

- (1) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - A. Assets and liabilities for each balance sheet presented are translated at the closing

exchange rate at the date of that balance sheet;

B. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

C. All resulting exchange differences are recognized in other comprehensive income.

- (2) When the foreign operation partially disposed of or sold is an associate cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred into part of the gain or loss on the sale or disposal thereof. When the Group still retains partial interest in the former associate or joint arrangements after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in those foreign operations.
- (3) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. When the Group still retains partial interest in the former subsidiary after losing significant influence over the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of Current and non-Current items

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

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

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

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

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

Liabilities that do not meet any of above criteria are classified as non-current liabilities.

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

(6) Cash equivalents

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

(7) Financial assets at fair value through profit or loss

1. Financial assets not included as financial assets measured at amortized costs or at fair value through other comprehensive income.
2. On regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
3. Financial assets at fair value through profit or loss are initially recognized at fair value. Associated transaction costs are accounted in profit or loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognized in profit or loss.
4. When the right to receive dividend is established, inflow of economic effects of dividend becomes probable, and the dividend amount can be reliably measured, the Group recognizes the dividend income in profit or loss.

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

1. It refers to an irrevocable choice made during the initial recognition, and the fair value change of the equity tool investment not held for trading is listed in the other comprehensive income.
2. On regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.
3. These financial assets are initially recognized at fair value plus transaction costs and subsequently remeasured and stated at fair value:
The fair value change of equity tool is recognized under the other comprehensive income, and during the derecognition, the cumulative profit or loss previously recognized under the other comprehensive income should not be re-categorized into income, but should be listed under the retained earnings. When the right to receive dividend is established, inflow of economic effects of dividend becomes probable, and the dividend amount can be reliably measured, the Group recognizes the dividend income in profit or loss.

(9) Financial Assets at amortized cost

1. Refer to financial Assets satisfying the following criteria at the same time:
 - (1) Financial Assets held under the operating model for the purpose of receiving contractual cash flows.
 - (2) Where contract terms of such financial Assets generated cash flow of specific date, and it is completely for the payment of the interest of principle and external circulating principle amount.
2. On regular way purchase or sale basis, financial assets measured at amortized cost are recognized and derecognized using trade date accounting.
3. These financial assets are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using effective interest rate method, less provision for impairment. Interest income is recognized during the circulation. When derecognizing these financial assets, gains or losses of disposal are recognized in profit or loss.
4. The Group holds time deposits that do not meet the definition of cash equivalents. With the short-term nature, the effect of discounting is not significant, so they are measured as an investment.

(10) Notes and accounts receivable

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

(11) Impairment of financial Assets

The Group assesses at each balance sheet date measures the loss allowance for financial assets measured at amortized cost after considering all reasonable and supportable information (including forecasts). When the credit risk has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss within 12 months after the reporting date. If, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from all possible default events over the expected life. For accounts receivable and contract assets that do not include significant financing components, a loss allowance is recognized at an amount equal to expected credit loss resulting from all possible default events over the expected life.

(12) Derecognition of financial Assets

Financial assets are derecognized when one of the following criteria is met:

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

(13) Lease transactions of lessor - rent payments receivable /operating lease

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(14) Inventories

The Group uses the perpetual inventory system, and initially recognizes at the amount equal to acquisition cost. Subsequently, interests related to the construction in progress over the construction period are capitalized. Costs are recognized using the weighted average method where the costs of finished products and work-in-progress include the raw materials, direct labor, other direct costs and expenses related to the production. The ending inventories are stated at the lower of cost and net realizable value. In addition, the item-by-item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(15) Non-current assets held for sale

When the carrying amount of a non-current asset is to be recovered principally through a sale transaction rather than through continuing use, and it is more likely that the asset will be sold, then that asset is classified as held for sale and is measured at whichever is the lesser of the carrying amount or the fair value, less the costs to sell.

(16) Investments/associates accounted for under equity method

1. An associate is an entity over which the Group has significant influence but not control. Generally, it is an entity in which the Group directly or indirectly holds more than 20% of its voting shares. The Group recognizes the investments in associates using the equity method at acquisition cost initially.
2. Subsequent profit or loss for the investments in associates are recognized in profit or loss after the acquisition; other comprehensive income after the acquisition is recognized in other comprehensive income.
 - (1) Among them, for “other comprehensive income recognized by share - reclassification using overlay approach”, the overlay approach may only be designated for financial assets that meet the criteria below:
 - (a) The financial asset at fair value through profit or loss under IFRS 9, but if the International Accounting Standards 39 (IAS 39) (Financial Instruments: Recognition and Measurement) applies, it will not be measured at fair value through profit or loss as a whole; and
 - (b) The financial asset is not held for an activity not connected to a contract within the scope of IFRS 4.
 - (2) Investees using the equity method may (but are not required to) apply the overlay approach to a designated financial asset. The overlay approach is accounting treatment of a reclassified amount between profit or loss and other comprehensive income; such that the gain or loss on the designated financial asset at the end of the reporting period is the same as that on the designated financial asset with IAS 39 applied. Accordingly, the reclassified amount is the difference between:
 - (a) the amount recognized in profit or loss when IFRS 9 applies to the designated financial asset; and
 - (b) The amount recognized in profit or loss if IAS 39 applies to the designated financial asset.

If the Group's share of losses of an associate equals to or exceeds its interest in the associate, including any other unsecured receivables, the Group discontinues recognizing its share of further losses unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.
3. When there is a change in equity of an associate that is not related to profit or loss and other comprehensive income and does not impact the Group's shareholding in the associate, the equity change attributable to the Group's interests in the associate is recognized as “Capital Surplus” in proportion to the Group's shareholding in the associate.
4. The unrealized gains and losses resulted from transactions between the Group and associates are eliminated to the extent of the Group's interest in each associate. Unless impairment on the assets transferred is indicated with clear evidence, the unrealized losses are eliminated. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
5. When an associate issues new shares and the Group does not subscribe or acquire in proportion to its shareholding resulting in a change of the Group's investment percentage in the associate but where the Group still retain significant influence over the associate, the change in the net equity value is recognized in “Capital Surplus” or “Investments Recognized under Equity Method”. If it causes the investment ratio to decrease, in addition to the aforementioned adjustment, for the profit or loss related to the decrease of the ownership equity and previously recognized in the other comprehensive income, and such profit or loss requires to be reclassified into profit or loss during the disposal of relevant

Assets or liabilities, it is reclassified into profit or loss according to the ratio of decrease.

6. When the Group's significant influence over an associate ceases, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.
7. When the Group disposes shares in an associate and thus loses significant influence over the former associate, all amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses significant influence over an associate, all gains or losses previously recognized in other comprehensive income in relation to the associate should be reclassified from equity to profit or loss. If the Company still has significant influence on the associate, then the amount previously recognized in the other comprehensive income is transferred out proportionally according to the aforementioned method.
8. If an investment recognized under equity method holds shares of the Company and measures the investment in the Company using the equity method, the gains or losses from such investment is measured at the investment's carrying amount excluding the Company's profit or loss recognized by the former investment entity.

(17) Property, plant, and equipment

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

Buildings and structures	2 years ~ 66 years
Machinery and equipment	2 years ~ 25 years
Warehouse equipment	2 years ~ 8 years
Transportation equipment	2 years ~ 7 years
Office equipment	2 years ~ 8 years
Other equipment	2 years ~ 11 years

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

1. The lease assets are recognized as the right-of-use assets and lease liabilities on the date

availed to the Group. If the lease contracts are short-term lease or low-value underlying asset lease, the lease payments are recognized as expenses during the lease terms with the straight line method.

2. From the starting date of lease, the lease liabilities are recognized at the current values of the unpaid lease payments discounted with the Group's incremental lending rate; the lease payments include the fixed payments deducting the receivable lease incentives, and the variable lease payments depending on certain index or rate. Subsequently, they are measured at the amortized costs based on the interest method, and recognized as the interest expenses during the lease terms. Shall the lease terms or lease payments change due to the non-contractual modifications, the lease liabilities will be measured again, and the re-measurements will be used to adjust the right-of-use assets.
3. The right-of-use assets are recognized as the costs on the starting date of leases. The costs include the original measured amount of the lease liabilities, and the lease payment on or before the starting date, if any. Subsequently, they are measured at the costs; the depreciation expenses are recognized at the end of useful lives, or the expiry of the lease terms, whichever is earlier. Shall the lease liabilities be reassessed, the right-of-use assets will adjust any re-measurement of the lease liabilities.

(19) Investment Real Estate

Investment property is initially recognized at acquisition cost and subsequently measured applying cost model. Interests incurred during construction period are capitalized. Except Land, property, plant and equipment are depreciated on a straight line basis with useful lives from 3 to 66 years.

(20) Intangible Assets

1. Trademark, patent rights and service concession
Trademark, patent rights and service concession are stated as acquisition cost and amortized on a straight line basis with useful lives of 3~20 years.
2. Computer software
Computer software is stated at acquisition cost and amortized on a straight line basis with useful lives of 3~5 years.
3. Mineral rights
Based on expected number of units the mineral resource should produce, depreciation is calculated using the unit of production method. If there is any change to the expected production units, the depreciation per unit is recalculated using the assets' carrying amount, and the depreciation recognized in the prior years is not restated.
4. Intangible assets generated internally - expenses of R&D
 - (1) R&D expenses are recognized as the expenses of the current term when occur.
 - (2) The R&D expenses disqualified from the following criteria are recognized as the expenses of the current term; the R&D expenses qualified with the following criteria are recognized as intangible assets:
 - A. The technical feasibility of being intangible assets has been achieved, so that the intangible asset may be used or sold;
 - B. Intention to complete the intangible assets for use or sale;
 - C. Capability to use or sell the intangible assets;
 - D. The likely perspective economic benefits of the concerned intangible assets may be proved;

- E. Sufficient technical, financial, and other resources to complete the developments are in place, to use or sell the intangible assets;
- F. The expenses attributed to the intangible assets during the development may be measured reliably.
- (3) The intangible assets generated internally - the grouting materials for offshore wind power generation - are amortized on a straight-line basis over their estimated useful lives of 5 years after they have reached the state of use.

5. Goodwill

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

(21) Impairment of non-financial Assets

1. The group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should be not more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.
2. Periodic estimate of recoverable amounts of goodwill, and intangible assets not available for use shall be estimated regularly. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds the recoverable amount. Impairment loss for goodwill is not reversible.
3. To test for impairment, goodwill must be allocated to each cash-generating units. The allocation is based on operation units, and goodwill is allocated to each cash-generating units or groups of cash-generating units that are expected to be benefited by the business combination.

(22) Loans

Refer to long-term, short-term borrowings from banks and other long-term, short-term loans. The Group recognizes initially at fair value, net of transaction costs incurred, and subsequently stated at amortized cost. Any difference between the proceeds, net of transaction costs, and the redemption value is amortized in profit or loss as an adjustment to the finance costs over the period of circulation using the effective interest method.

(23) Notes and accounts payable

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

(24) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged or canceled or expires.

(25) Provisions

Provisions for warranty liability are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation

can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. Provisions are not recognized for future operating losses.

(26) Employee benefits

1. Short-term employee benefits

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

2. Pensions

(1) Defined contribution plans

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

(2) Defined benefit plans

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

B. Remeasurement arising on defined benefit plans is recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

3. Termination benefits

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

4. Employees' compensation and directors' remuneration

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

(27) Employee share-based payment

The equity share-based payment agreement refers to the employees' services obtained by measuring the fair value of the equity instruments given on the grant date and is recognized in remuneration costs during the vesting period with the equity adjusted relatively. The fair value of equity instruments should reflect the effects of vesting and non-vesting conditions related to market prices. The remuneration costs recognized are adjusted as per the amount of remuneration expected to meet the service conditions and non-vesting conditions related to market prices, and the final amount recognized is based on the vested amount on the grant day.

(28) Income tax

1. The income tax expense for the period comprises Current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. The management assesses the status of income tax declaration according to relevant applicable income tax laws, and shall pay the income tax liability estimated to the taxation agency according to the expectation under applicable status. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings in a shareholders' meeting of the following year.
3. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. The deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of reversal of temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in foreseeable future. Deferred income tax is determined using tax rates or laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred income tax Assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax Assets are reassessed.
5. Current income tax Assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax Assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset Current tax Assets against Current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
6. Tax credits resulting from research and development expenditures are treated with accounting for income tax credits.

(29) Capital

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

(30) Dividends

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

(31) Income

1. Land development and sale

- (1) The Group conducts its business in land development and sale of residential buildings, revenue is recognized when the control of the property has been transferred to the customer. For a signed residential contract, due to restrictive terms set out in the contract, the Group retains no continuing involvement of the associated property. Only if the legal ownership of property has been transferred to the customer, the Group will have the right to the contract consideration. Thus, revenue is recognized when the legal ownership has been transferred to the customer.
- (2) Income is measured based on the contract negotiated amount, and the contract price is paid when the statutory ownership of the real estate is transferred. In rare cases, the Group and the customer agree to defer the payments for a period less than 12 months that doesn't involve a significant financing component, so the contract consideration is not adjusted.

2. Sale of goods

- (1) The Group manufactures and sells cement, building materials and related merchandises, as well as operates supermarkets and shopping malls. Revenue arising from sales of goods is recognized when the control of products has been transferred to the customer, that is when products are delivered to the customer and there is no unsatisfied performance obligation by the Group that may affect the customer acceptance of the product. When goods are transported to the designated location, the obsolete and impairment risks have been transferred to the customer, and customer also accepts goods according to the sales contract, or when there is objective evidence proving that all acceptable standards have been satisfied, which occurs when the goods is delivered to the customer.
- (2) The Group offers loyalty program to retail customers by giving out reward points for purchases, and customers may use the reward points in exchange for discounts or free products. The reward point is an important right that cannot be obtained if a customer has not made any initial transaction; therefore, the reward point provided to customers is a single contract performance obligation. The transaction price is appropriated to the goods and reward point based on the relative independent sales price. The independent sales price of reward point is estimated according to the discount obtained by the customer and the possibility of exchange of points based on the past experience.
- (3) Accounts receivable are recognized when products are delivered to customers. Since the Group has the absolute right for the contract consideration after the point of the time of delivery, and may collect such consideration from customers after such point of time.
- (4) Financial component
For the contracts that the Group signs with customers, the time between product or

service delivery and customer payment does not exceed one year, so the price is not adjusted for the time value of money.

3. Construction contract revenue

- (1) The Group sub-contracts construction projects. As the performance of construction contracts creates or enhances one asset, and the concerned asset becomes under control of the client or does not create an asset with an alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date, the Group recognizes revenue over time as it satisfies the performance obligation.
- (2) The Group's recognition of construction contract revenue is based on the stage of completion of a contract using the percentage of completion method of accounting during the duration of a contraction. The contract costs are recognized as expenses in the incurred period. The stage of completion is determined by reference to the contract costs incurred to date and the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs. If the total contract costs are probable to exceed total contract revenue, the estimated loss is recognized as expenses immediately. When the result of a construction contract cannot be reasonably estimated, revenue is recognized only to the extent of contract costs incurred.
- (3) The Group's estimations for revenue, costs and stage of completion are adjusted accordingly. Any variation of estimated revenue or costs arising from change of estimations is reflected in profit or loss in the period when the condition for change of estimation is made known to the management.
- (4) The variable consideration arising from performance bonuses, penalties or claims that could result in variation of total contract price is only included in the transaction price if, and to the extent that, it is highly probable that its inclusion will not result in a significant revenue reversal in the future.
- (5) Retention money mandated in the construction contract should be paid after acceptance of construction by the customers. The retention money receivable is a form of protection for its customers in the event that the counter-party does not perform parts or all obligations properly, and thus does not contain any significant financing component.
- (6) The excess of receivables from customers on construction contracts, that is, the cumulative costs incurred plus, recognized profits (less recognized losses) over the progress billings on each construction contract is presented as a contract asset. While the excess of the progress billings over the cumulative costs incurred plus, recognized profits (less recognized losses) on each construction contract is presented as a contract liability.

4. Services revenue

The Group manages apartment buildings and provides security services. Services revenue is recognized when service is provided to customers within the reporting period. Revenue from fixed-price contracts is recognized in proportion to the service rendered up to the balance sheet date. Customers make payments based on agreed schedule, and the excess of service rendered over receivables from customers is presented as a contract asset; oppositely, the excess of receivables from customers over service rendered is presented as a contract liability.

5. Rental income

Income is recognized in profit or loss on a straight-line basis over the lease term.

6. Costs to obtain clients' contracts

For the incremental costs incurred to obtain clients' contracts (mainly sales commission), the expected recoverable parts are recognized as asset when incurred (listed as other current

assets), and amortized based on the systematic basis consistent to the transfer of the products or services related to the concern assets. Subsequently, if the expected receivable consideration becomes lower than the carrying amount recognized in the Assets after deducting the costs not recognized as expenses, the excessive amount to the carrying amount in the Assets is recognized as the impairment loss.

(32) Government grants

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

(33) Operating segments

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

5. Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of Assets and liabilities within the next financial year. The critical accounting judgments, estimates and key sources of assumption uncertainty is addressed as follows:

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

Investment Real Estate

The properties that the Group holds for the purposes of earning rent or capital appreciation are classified as investment property.

(2) Critical accounting estimates and assumptions

1. Financial assets at fair value through other comprehensive income - the shares of unlisted companies measured at fair value.

The Group's investments in securities of other unlisted companies at fair value through other comprehensive income, the fair values are measured with reference to the valuation of comparable companies, company technology development, market condition, and other economic indicators. Any change of determination and estimation can affect the measurement at fair value. Please refer to Note XII (4) for the details of fair value of financial instruments.

On December 31, 2021, the carrying amount of the Group's investments in securities of other unlisted companies at fair value through other comprehensive income was NT\$1,388,515.

2. Revenue recognition

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

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and revolving funds	\$ 11,283	\$ 11,134
Checking deposits	844,812	298,501
Demand deposits	949,308	754,556
Time deposits	6,045,681	2,326,071
Cash equivalents - Bonds under repurchase agreements	1,311,668	1,319,110
	<u>\$ 9,162,752</u>	<u>\$ 4,709,372</u>

1. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
2. The Group's restricted cash and cash equivalents on December 31, 2021 and 2020 due to advance receipt trust for construction projects, project performance bond, contracted business, and warranty were NT\$1,030,030 and NT\$709,109, respectively, of which NT\$997,348 and NT\$676,698 were classified as other current assets - other financial assets, and NT\$32,682 and NT\$32,441 were classified as other non-current assets - other financial assets.

(2) Financial assets at fair value through profit or loss - non-current

<u>Items</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Non-current items:		
Financial assets at fair value through profit or loss (mandatory)		
Convertible bonds	\$ -	\$ 33,835
Adjustments for valuation	-	3,427
	<u>\$ -</u>	<u>\$ 37,262</u>

1. Detail of financial assets at fair value through profit or loss is as follows:

	<u>2021</u>	<u>2020</u>
Financial assets at fair value through profit or loss (mandatory)		
Structured wealth management products	\$ -	\$ 137
Convertible bonds	12,018	3,427
	<u>\$ 12,018</u>	<u>\$ 3,564</u>

2. For the years 2021 and 2020, the reversal of impairment profit due to return of share capital was NT\$0 and NT\$1,105.
3. The privately offered fund (Chih Long No. 2) invested by the Group completed the dissolution in September 2020, and the Group wrote off the recognized investment costs, and cumulatively recognized unrealized adjustment for valuation - both were losses of NT\$41,478.

4. The Group subscribed 336,000 shares of convertible bonds III issued by Brogent Technologies Inc., at NT\$100.7 per share for \$33,835 in October 2020.
 5. The Group converted the 336,000 shares of convertible corporate bonds invested in Brogent Technologies Inc. into 320,000 ordinary shares in November 2021. Therefore, the initially recognized investment cost of NT\$33,835 and the cumulative value adjustment recognized in the amount of NT\$15,445 were reclassified to financial assets at fair value through other comprehensive income - non-current.
- (3) Notes and accounts receivable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$ 1,176,984	\$ 136,917
Accounts receivable (Note)	\$ 177,777	\$ 129,654
Construction payment receivable	1,153,850	912,707
	1,331,627	1,042,361
Less: Allowance for loss	(4,124)	(8,512)
	<u>\$ 1,327,503</u>	<u>\$ 1,033,849</u>

Note: the amounts due within a year of the long-term rent receivables included; please refer to Note 6 (11) for details.

1. Ruentex Material, the sub-subsidiary of the Company, issues the invoice and bill of lading when taking the customer's order, debits accounts receivable and credits advance sales receipt (the "contract liability-current" account). When it receives notes issued by the customer, the amount is then transferred to notes receivable from accounts receivable. Based on demand quantity, the customer picks up the cement in batches, and the actual sales amount is then transferred from advance sales receipt to revenue. To prevent inflated assets and liabilities, the notes and accounts receivable and advance sales receipt related to undelivered cement are offset with each other and presented in the net values. As of December 31, 2021 and 2020, the amounts were NT\$169,888 and NT\$209,962.
2. The aging analysis of accounts receivable and notes receivable is as follows:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Accounts</u>	<u>Notes</u>	<u>Accounts</u>	<u>Notes</u>
	<u>Receivable</u>	<u>receivable</u>	<u>Receivable</u>	<u>receivable</u>
Not overdue	\$1,321,220	\$1,176,984	\$1,024,824	\$ 136,917
Overdue				
Within 30 days	3,561	-	3,595	-
31-60 days	993	-	53	-
61-90 days	966	-	5,323	-
91 days and more	4,887	-	8,566	-
	<u>\$ 1,331,627</u>	<u>\$1,176,984</u>	<u>\$ 1,042,361</u>	<u>\$ 136,917</u>

The aging analysis was based on past due date.

3. The balances of the receivables and notes receivable as of December 31, 2021 and 2020 were incurred by the clients' contracts; also as of January 1, 2020, the balances of the notes

receivable and receivables were NT\$257,873 and NT\$1,071,790, respectively.

4. The Group's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, were NT\$1,176,984 and NT\$136,917 for notes receivable, as of December 31, 2021 and 2020, respectively; the accounts receivable were NT\$1,327,503 and NT\$1,033,849 as of December 31, 2021 and 2020, respectively.
5. The Group did not hold any collateral as security.
6. Please refer to Note 12 (3) for information of credit risk for accounts receivable and notes receivable.

(4) Inventories

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Construction business department:		
Real property for sale (including parking space)	\$ 10,066,624	\$ 13,346,341
Property under construction	13,427,738	11,254,310
Construction land	3,662,527	3,045,488
Prepaid construction payments	268	-
Prepayment for land purchases	1,408,337	1,182,377
Materials and supplies	422,206	306,684
Work in progress and finished goods	158,599	119,860
Less: Allowance for valuation losses	(384,244)	(378,951)
Subtotal	<u>28,762,055</u>	<u>28,876,109</u>
Hypermarket and Franchise Business Department:		
Merchandise inventory	132,650	130,767
Less: allowance for obsolescence loss	(1,652)	(2,992)
Subtotal	<u>130,998</u>	<u>127,775</u>
Total	<u>\$ 28,893,053</u>	<u>\$ 29,003,884</u>

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

	<u>2021</u>	<u>2020</u>
Cost of inventories sold and construction costs	\$ 20,381,365	\$ 14,007,322
loss on physical inventory	8,653	9,221
Unallocated manufacturing costs	6,840	6,840
Revenue from sales of scraps	(20,831)	(13,191)
(Gain from price recovery) Loss from price reduction	<u>3,953</u>	<u>(42,951)</u>
	<u>\$ 20,379,980</u>	<u>\$ 13,967,241</u>

The net realizable value of the Group's inventories in 2020 was realized due to the inventories recognized as allowance of loss were sold in 2021, the inventories generated gains from price recovery.

2. Inventory capitalization amount and interest range:

	2021	2020
Amount of capitalization	\$ 101,069	\$ 92,674
Interest rate collars of capitalization	0.22%~2.00%	0.83~2.00%

3. The aforementioned construction lands include the payment amount of the Company for the purchase of the agricultural lands. Since they are still agricultural lands, and the land category has not been changed completely, the ownership of the lands is still registered under the name of third party, and pledge has been set on such agricultural lands.

4. For the collateral status for the inventory of the aforementioned Construction Business Department, please refer to Note 8.

(5) Other Current Assets

	December 31, 2021	December 31, 2020
Joint construction guarantee deposits	\$ 526,304	\$ 581,036
Restricted bank deposits	997,348	676,698
Guarantee deposits paid	6,249	8,194
Incremental costs of obtaining contracts	125,130	115,458
Others	25,635	17,961
	<u>\$ 1,680,666</u>	<u>\$ 1,399,347</u>

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

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

Item	December 31, 2021	December 31, 2020
Current items		
Equity Instrument		
Shares of non-TWSE/TPEX listed companies	\$ 128,717	\$ -
Adjustments for valuation	<u>1,174,621</u>	<u>-</u>
Total	<u>\$ 1,303,338</u>	<u>\$ -</u>
Non-current items		
Equity Instrument		
Shares of TWSE listed companies	\$ 1,162,301	\$ 958,501
Shares of the TPEX listed companies	738,465	689,185
Shares of the TPEX-listed companies	-	12,388
Shares of non-TWSE/TPEX listed companies	<u>289,125</u>	<u>551,827</u>
	<u>2,189,891</u>	<u>2,211,901</u>

Adjustments for valuation

- Shares of TWSE listed companies	1,679,993	494,517
- Shares of the TPEX listed companies	530,185	697,124
- Shares of the TPEX-listed companies	-	74,776
- Shares of non-TWSE/TPEX listed companies	(203,948)	99,900
	<u>2,006,230</u>	<u>1,366,317</u>
Total	<u>\$ 4,196,121</u>	<u>\$ 3,578,218</u>

1. The Group elected to classify the TWSE listed securities for stable dividends as financial assets at fair value through other comprehensive income; such investments amounting NT\$2,842,294 and NT\$1,453,018 as of December 31, 2021 and 2020, respectively.
2. The Group elected to classify the strategic investments in TPEX listed securities as financial assets at fair value through other comprehensive income, amounting to NT\$1,268,650 and NT\$1,386,309 as of December 31, 2021 and 2020, respectively.
3. The Group elected to classify the strategic investments in TPEX listed securities as financial assets at fair value through other comprehensive income, amounting to NT\$0 and NT\$87,164 as of December 31, 2021 and 2020, respectively.
4. The Group elected to classify the strategic investments in unlisted securities as financial assets at fair value through other comprehensive income, amounting to NT\$1,388,515 and NT\$651,727 as of December 31, 2021 and 2020, respectively.
5. The Group's maximum exposure to credit risk for financial assets at fair value through other comprehensive income, before consideration of associated collateral held and other credit enhancements was NT\$5,499,459 and NT\$3,578,218 as of December 31, 2021 and 2020, respectively.
6. Evergreen Steel Corporation was listed on Taiwan Stock Exchange (TWSE) on January 13, 2020. Therefore, the Group reclassified the stock from non-listed stock to the TWSE and TPEX stock. The adjustments to the cost and valuation gains are NT\$12,388 and NT\$35,990, respectively. Evergreen Steel Corporation was approved to be listed on TWSE on October 27, 2020 and its stock began to be traded on April 23, 2021. Therefore, the Group reclassified the stock from TPEX-listed stock to TWSE-listed one. The adjustments to the cost and valuation gains are NT\$12,388 and NT\$102,573, respectively. The Group successively disposed of all 1,884,613 shares of Evergreen Steel Corporation it held in June and July 2021, and the disposal amount was NT\$124,320. The Group wrote off the initially recognized investment cost of NT\$12,388 and the cumulative unrealized valuation adjustment- gains recognized of NT\$111,932
7. The later application for a public offering by Brogent Technologies Inc., a company listed on TPEX, took effect. Therefore, the Group, in the first quarter of 2020, reclassified the holding of the shares from stocks of listed companies via private placement to stocks of listed companies, and the adjustments to the cost and valuation losses are NT\$432,000 and NT\$54,907, respectively.
8. Pacific Resources Corporation, an unlisted company, conducted a capital reduction to compensate the deficit in October 2021 with a capital reduction percentage of 77.5%. The Group's shares held decreased by 835,000 shares in proportion to the shareholding. Therefore, the initial cost of the holding and relevant value losses written off by the Group were both NT\$6,547.

9. The Group's board of directors approved the disposal of 5,308,868 shares of private placement shares of ORIENT SEMICONDUCTOR ELECTRONICS LTD., a TWSE-listed company, at NT\$11.59 per share on November 5, 2020 for NT\$61,530, and the Group offset the initial investment cost of NT\$71,208 and the cumulative unrealized valuation adjustment-loss of NT\$9,678. The transaction was completed in December 2020.
10. RT-MART International Co., Ltd. (hereinafter referred to as "RT-MART"), a non-publicly listed company, distributed cash dividends of NT\$122,503 from the capita surplus contributed by shareholders in November 2020, which was regarded as a decrease in the cost of the Group's initial holding. In addition, RT-Mart's shareholders' meeting, to adjust its capital structure and improve the return on shareholders' equity, approved to reduce the capital by 75.73% with a par value of NT10 per share on July 27, 2021. The capital returned to the Group for the capital reduction totaled NT\$127,438
11. The Group's board of directors approved the disposal of all 4,085,139 shares of RT-Mart held by the Group on October 22, 2021 with the proceeds of NT\$1,303,338. As of March 15, 2022, the equity transfer had not been completed. The Group's initial holding cost and relevant valuation gains were NT\$128,717 and NT\$1,174,621, respectively, and were reclassified, based on their liquidity, to financial assets at fair value through other comprehensive income - current.
12. Please refer to Note 6(2) for the description of the conversion of the Group's convertible corporate bonds issued by Brogent Technologies Inc. into ordinary shares in November 2021.
13. The Group purchased 2,051,000 shares issued by TWSE-listed companies in the open market in the amount of NT\$203,800 in the fourth quarter of 2021.
14. The details of financial assets at fair value through other comprehensive income recognized in comprehensive income (loss) and retained earnings are as follows:

Item	2021	2020
Changes in fair value recognized as other comprehensive income	<u>\$ 1,919,919</u>	<u>(\$ 63,424)</u>
Unrealized valuation (gains) losses on financial assets transferred to retained earnings due to disposal	<u>(\$ 111,932)</u>	<u>\$ 9,678</u>
Unrealized valuation losses on financial assets transferred to retained earnings due to derecognition	<u>\$ 6,547</u>	<u>\$ -</u>
Dividend incomes recognized in profit and loss		
Held at the end of the current period	\$ 48,967	\$ 127,501
Derecognized within the current period	<u>-</u>	<u>796</u>
	<u>\$ 48,967</u>	<u>\$ 128,297</u>

15. Details of the Group's financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8.

(7) Financial Assets at amortized cost

Item	December 31, 2021	December 31, 2020
Current items:		
Demand deposit with original maturity date for more than three months	\$ 319,000	\$ -
Non-current items:		
Subordinated corporate bonds	\$ 560,000	\$ 560,000

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

	2021	2020
Interest revenue	\$ 20,299	\$ 19,730

2. The Group's maximum exposure to credit risk for financial assets measured at amortized costs, before consideration of associated collateral held and other credit enhancements was NT\$879,000 and NT\$560,000 as of December 31, 2021 and 2020, respectively.
3. The Group did not pledge financial assets measured at amortized costs to others as collateral.
4. Please refer to Note 12(3) for credit risk information.
- (8) Investments accounted for using equity method

1. Details are as follows:

Name of the associate	Carrying amount	
	December 31, 2021	December 31, 2020
Shing Yen Construction Development Co., Ltd. (Shing Yen)	\$ 294,800	\$ 295,444
Ruentex Industries Ltd. (Ruentex Industries)	10,264,479	10,239,469
Gin-Hong Investment Co., Ltd. (Gin-Hong)	1,090,494	690,904
Sunny Friend Environmental Technology Co., Ltd. (Sunny Friend)	869,113	865,560
Ruen Chen Investment Holdings Ltd. (Ruen Chen)	95,598,228	93,873,325
Nan Shan Life Insurance Co., Ltd. (Nan Shan Life Insurance)	1,121,541	1,114,185
Global Mobile Corp. (Global Mobile)	-	-
Concord Greater China Ltd.(Concord)	854,718	4,348,924
Sinopac Global Investment Ltd.(Sinopac)	1,020,479	2,031,294
	\$ 111,113,852	\$ 113,459,105

2. The investment shareholder percentage is as follows:

<u>Name of the associate</u>	<u>Shareholding percentage</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Shing Yen	45.45%	45.45%
Ruentex Industries	11.95%	11.95%
Gin-Hong	30.00%	30.00%
Sunny Friend	26.62%	26.62%
Ruen Chen	25.00%	25.00%
Nan Shan Life Insurance	0.23%	0.23%
Global Mobile	9.46%	9.46%
Concord	25.46%	25.46%
Sinopac	49.06%	49.06%

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

<u>Name of associate</u>	<u>2021</u>	<u>2020</u>
Shing Yen	(\$ 1,170)	\$ 7,972
Ruentex Industries	1,408,137	700,943
Gin-Hong	16,824	42,296
Sunny Friend	251,536	264,589
Ruen Chen	13,131,701	7,981,947
Nan Shan Life Insurance	135,971	82,652
Concord	24,884	58,518
Sinopac	7,415	19,817
	<u>\$ 14,975,298</u>	<u>\$ 9,158,734</u>

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

Company name	Principal Place of Business	<u>Shareholding percentage</u>		Nature of relationship	Measurement method
		<u>December 31, 2021</u>	<u>December 31, 2020</u>		
Ruen Chen	Taiwan	25.00%	25.00%	Diversification	Equity method
Ruentex Industries	Taiwan	11.95%	11.95%	Diversification	Equity method

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

Balance Sheet

	<u>Ruen Chen</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current Assets	\$ 239,909,703	\$ 281,185,274
Non-current assets	5,039,698,374	4,879,285,008
Current Liabilities	(20,344,978)	(33,539,725)
Non-current liabilities	(4,826,311,038)	(4,701,209,668)
Total net assets (Note)	<u>\$ 432,952,061</u>	<u>\$ 425,720,889</u>
Portion of the net assets of associates	<u>\$ 95,598,228</u>	<u>\$ 93,873,325</u>

Note: Included in non-controlling interests in Ruen Chen Investment Holdings as of December 31, 2021 and 2020 were NT\$50,559,148 and NT\$50,227,590, respectively.

	<u>Ruentex Industries</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current Assets	\$ 15,005,645	\$ 21,844,276
Non-current assets	133,268,236	131,827,773
Current Liabilities	(6,435,307)	(8,583,534)
Non-current liabilities	(31,851,997)	(29,482,021)
Total net assets (Note)	<u>\$ 109,986,577</u>	<u>\$ 115,606,494</u>
Portion of the net assets of associates	<u>\$ 10,264,479</u>	<u>\$ 10,239,469</u>

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

Statements of Comprehensive Income

	<u>Ruen Chen</u>	
	<u>2021</u>	<u>2020</u>
Income	<u>\$ 570,159,159</u>	<u>\$ 579,075,147</u>
Current Net Profit (Note 1)	58,697,320	35,695,200
Other comprehensive income (Net of tax)	(51,367,996)	104,899,215
Total Comprehensive Income Current Period (Note 2)	<u>\$ 7,329,324</u>	<u>\$ 140,594,415</u>

Note 1: Included the net combined income attributable to non-controlling interests in Ruen Chen Investment Holdings for 2021 and 2020, in the amount of NT\$6,170,517 and NT\$3,767,410, respectively.

Note 2: Included the net combined comprehensive Income attributable to non-controlling interests in Ruen Chen Investment Holdings for 2021 and 2020, in the amount of NT\$802,473 and NT\$13,807,892, respectively.

	Ruentex Industries	
	2021	2020
Income	\$ 2,695,981	\$ 2,736,394
Net income of current period	15,640,631	8,091,349
Other comprehensive income (Net of tax)	(14,917,997)	25,971,071
Total Comprehensive Income Current Period	\$ 722,634	\$ 34,062,420
Dividends received from associates	\$ 131,441	\$ 328,603

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

As of December 31, 2021 and 2020, the carrying amount of the Group's individually immaterial associates amounted to NT\$5,251,145 and NT\$9,346,311, respectively.

	2021	2020
Net income of current period	\$ 59,754,652	\$ 37,048,759
Other comprehensive income (Net of tax)	(57,488,385)	101,206,681
Total Comprehensive Income Current Period	\$ 2,266,267	\$ 138,255,440

7. As of December 31, 2021 and 2020, among the investments accounted under equity method, the amounts for Jing-Hong, Concord, and Sinopac were measured based on the financial reports audited by other independent accountants.
8. The fair value of the Group's investments accounted under equity method with quoted market prices is as follows:

	December 31, 2021	December 31, 2020
Ruentex Industries	\$ 8,561,148	\$ 4,707,787
Sunny Friend	5,920,591	6,914,775
	\$ 14,481,739	\$ 11,622,562

9. Ruen Chen Investment Holding conducted cash capital increase in July 2021 and July 2020 and the Company subscribed the new issued shares in proportion to its shareholding amounting NT\$90,000 and NT\$87,500.
10. Global Mobile was an investee of the Company with valuation under equity method - Ruentex Industries' investment under equity method. After the assessment of the Company, the Company had significant influence on Global Mobile; therefore, the investment under equity method was adopted to recognize such company. Global Mobile received a letter in March 2015 stating that its application for the extension of wireless broadband reception business was rejected by the competent authority. Global Mobile had filed appeal for its application according to the law, and subsequently, in November 2015, it received a letter informing that its appeal had been rejected by the competent authority such that its service was terminated in December of the same year. Global Mobile had filed appeal and subsequent litigation according to laws. However, based on the conservative and stable business principle of the Company, it had recognized an impairment loss in 2015 as NT\$ 5,247.
11. (1) For the purposes of investments and diversifying operations, the Company invested in Nan Shan Life Insurance in 2010 through Ruen Chen Investment Holdings. Ruen Chen Investment Holdings executed capital increase by cash during the period from

2010 to 2011 respectively, and the total subscription amount of the Company according to the shareholding percentage was NT\$ 11,250,000. In the Nan Shan Life Insurance investment project, as required by competent authority, the Company transferred portion of shares of Ruen Chen Investment Holdings for trust, the major terms and conditions of the trust are as follows:

- A. Purpose of trust: After Ruen Chen Investment Holdings acquired the management right of Nan Shan Life Insurance, to satisfy the commitment in long-term operation and the promise for the vision of stable operation, the total of 612,500 thousand shares held by Ruen Chen Investment Holdings were transferred to the Trust Department of First Commercial Bank Co., Ltd. on September 5 and September 9, 2011 respectively, and trust registration was performed.
 - B. Term of trust: The term of trust was ten years starting from the signing date of the trust contracts on September 5 and September 9, 2011 respectively.
 - C. Management, use method and limitation to trust property:
 - (a) The management and use method for the trust property under this contract is for specific independent management and use. The trustee has no right to determine the use of the trust property. Unless otherwise specified in this contract, the trust property shall be managed properly according to the operating scope or method instructed by the trustor.
 - (b) The change of this contract shall be performed only after the joint negotiation of the trustor and trustee, followed by reporting to FSC for written approval.
 - (c) This contract shall become effective upon the signing of both parties. Unless otherwise specified in the laws or both parties agree otherwise, this contract is terminated due to the following matters along with the written consent of the competent authority:
 - (i) In case of the occurrence of breach of contract by any one party, the breaching party shall correct within 15 days from the date of notice by the other party. Any failure to correct beyond such period, the other party may terminate this contract and may claim damage indemnification.
 - (ii) Where there is an actual difficulty in the continuous management of the trust matter, it may be terminated based on the written consents of both parties.
 - (iii) Where the trustee is subject to dissolution, restructure, bankruptcy, revocation of establishment registration or being informed by the exchange office to be a rejected account, it shall inform the other party. Any one party may terminate this contract by informing the other party in writing.
 - (iv) When a creditor of the trustor files petition to the court to revoke the trust under this contract due to harms to its rights and such petition is confirmed.
 - (d) Once this contract is terminated, the trustor shall repay the trust management fee and all necessary fees as well as taxes to the trustee, and the trustee may deduct such fees from the trust property.
 - D. As stated above, at the request of the competent authority, the Company delivered part of the shares of Ruen Chen Investment Holdings to a trust. However, as the trust period ended in September 2021, the trust property was already returned to the Company as per the trust deed.
- (2) As instructed by the FSC on June 13, 2016, the Company issued a letter of undertaking for the investment in Nan Shan General Insurance Co., Ltd. (Referred

herein as “Nan Shan General Insurance”; originally named as Chartis Taiwan Insurance Co., Ltd.), and the undertaking is as follows:

- A. The Company undertakes to request Nan Shan Life Insurance to ensure its long-term operation in handling the investment in Nan Shan General Insurance according to the laws and FSC's commitment.
 - B. The Company undertakes that after Nan Shan Life Insurance acquires 200,000,000 ordinary shares of Nan Shan General Insurance, i.e. 100% issued shares with voting rights, when Nan Shan General Insurance has the needs for capital increase at any time, the Company will request Nan Shan Life Insurance to handle the capital increase for Nan Shan General Insurance according to the laws and the request of the competent authority.
 - C. To fulfill the commitment of the Company and Ruen Chen Investment Holdings other shareholders on the long-term operation of Nan Shan General Insurance, in case where there is a need for capital increase for the Nan Shan General Insurance according to the laws or the request of competent authority such that new shares are to be issued for the capital increase, the Company and Ruen Chen Investment Holdings other shareholders undertake to request Nan Shan Life Insurance to hold at least a percentage of 51% on the number of outstanding ordinary shares.
- (3) According to the instruction of FSC on November 15, 2017, regarding to the capital increase undertaking signed by Nan Shan Life Insurance, the Company undertakes to deliver cash at an amount of NT\$ 5,000,000 to Trust Department of Mega International Commercial Bank for custody, such that in the future, when Nan Shan Life Insurance needs to perform capital increase but Ruen Chen Investment Holdings cannot handle the capital increase, the Company agrees to deliver the aforementioned trust cash under custody in order to perform the capital increase by cash for Nan Shan Life Insurance through Ruen Chen Investment Holdings or via other methods agreed by the competent authority. In addition, it shall be sufficient to cover the capital increase amount required by Nan Shan Life Insurance. In case where there is any deficiency in the amount provided by other upper shareholders, the Company agrees to cover such deficiency. In addition, for the capital increase in cash to Nan Shan Life Insurance in June 2019 through Ruen Chen Investment Holdings, the payment was made by deposited cash in the amounts of NT\$4,995,758 and NT\$4,242.
12. To meet the demands for reinvestment and diversify the operations, the Company invested in Nan Shan Life Insurance with a shareholding of 0.23%. As Nan Shan Life Insurance is the investee company accounted for the subsidiary of Ruen Chen Investment Holding, the Company is considered has a material influence to Nan Shan Life Insurance, and thus Nan Shan Life Insurance was recognized as the investment accounted with the equity method.
13. The Group holds 11.95% of Ruentex Industries as the single largest shareholder of the company. Taking into account the attendance of past shareholders' meetings, it shows that other shareholders are actively participating in Ruentex Industries' business decision-making. There are eight seats on the board of directors of Ruentex Development, the Group does not hold any seat, showing that the Group has no actual ability to lead Ruentex Industries activities. Therefore, it is judged that the Company has no control over it and only has significant influence.
14. The Group holds 26.62% of Sunny Friend as the single largest shareholder of the company. Taking into account the attendance of past shareholders' meetings, it shows that other shareholders are actively participating in Sunny Friend's business decision-making. There are seven seats on the board of directors of Ruentex Development, only two of which are

occupied by the Group, showing that the Group has no actual ability to lead Sunny Friend activities. Therefore, it is judged that the Company has no control over it and only has significant influence.

15. In order to improve the use of funds, Jing-Hong conducted capital reductions in June 2021 and returned the capital to shareholders with a capital reduction percentage of 36.67%. The capital refunded to the Company in proportion to the shareholding was NT\$99,000.
16. Details of the Group's investments accounted under equity method pledged to others as collateral are provided in Note VIII.

(9) Property, plant, and equipment

	2021								
	Land	Buildings and structures	Machinery and equipment	Warehouse equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending for inspection	Total
January 1									
Cost	\$1,534,147	\$1,686,642	\$1,942,967	\$ 34,312	\$ 58,646	\$ 172,636	\$1,239,983	\$ 613,684	\$7,283,017
Accumulated depreciation	-	(581,025)	(1,156,371)	(30,505)	(49,975)	(115,552)	(517,724)	-	(2,451,152)
	<u>\$1,534,147</u>	<u>\$1,105,617</u>	<u>\$ 786,596</u>	<u>\$ 3,807</u>	<u>\$ 8,671</u>	<u>\$ 57,084</u>	<u>\$ 722,259</u>	<u>\$ 613,684</u>	<u>\$4,831,865</u>
January 1	\$1,534,147	\$1,105,617	\$ 786,596	\$ 3,807	\$ 8,671	\$ 57,084	\$ 722,259	\$ 613,684	\$4,831,865
Addition	-	2,360	72,110	972	8,600	18,349	74,761	148,970	326,122
Transfer (Note 1)	6,589	324,956	326,898	16,202	-	-	96,156	(706,078)	64,723
Costs of disposal of assets	-	-	(15,260)	(23,628)	-	(15,425)	(123,669)	-	(177,982)
Accumulated depreciation on disposal date	-	-	14,006	22,982	-	11,027	123,472	-	171,487
Capitalization of interest	-	-	-	-	-	-	-	1,536	1,536
Depreciation expense	-	(64,910)	(138,489)	(2,939)	(4,362)	(20,310)	(103,807)	-	(334,817)
Impairment loss	-	(10,331)	(55,441)	-	-	-	(379)	-	(66,151)
Others (Note 2)	-	-	-	-	-	-	-	(2,396)	(2,396)
December 31	<u>\$1,540,736</u>	<u>\$1,357,692</u>	<u>\$ 990,420</u>	<u>\$ 17,396</u>	<u>\$ 12,909</u>	<u>\$ 50,725</u>	<u>\$ 788,793</u>	<u>\$ 55,716</u>	<u>\$4,814,387</u>
December 31									
Cost	\$1,540,736	\$2,013,958	\$2,326,715	\$ 27,858	\$ 67,246	\$ 175,560	\$1,287,231	\$ 55,716	\$7,495,020
Accumulated depreciation	-	(645,935)	(1,280,854)	(10,462)	(54,337)	(124,835)	(498,059)	-	(2,614,482)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	(379)	-	(66,151)
	<u>\$1,540,736</u>	<u>\$1,357,692</u>	<u>\$ 990,420</u>	<u>\$ 17,396</u>	<u>\$ 12,909</u>	<u>\$ 50,725</u>	<u>\$ 788,793</u>	<u>\$ 55,716</u>	<u>\$4,814,387</u>

Note1: The amount of NT\$64,723 is reclassified from prepayments for business facilities.

Note 2: It is the amount of NT\$2,396 received as an interior design subsidy, recognized as a deduction of unfinished construction.

	2020								
	Land	Buildings and structures	Machinery and equipment	Warehouse equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending for inspection	Total
January 1									
Cost	\$1,533,249	\$1,627,274	\$1,837,943	\$ 32,317	\$ 63,754	\$ 142,902	\$1,090,037	\$ 376,402	\$6,703,878
Accumulated depreciation	<u>-</u>	<u>(538,356)</u>	<u>(1,092,953)</u>	<u>(30,609)</u>	<u>(50,687)</u>	<u>(103,151)</u>	<u>(457,590)</u>	<u>-</u>	<u>(2,273,346)</u>
	<u>\$1,533,249</u>	<u>\$1,088,918</u>	<u>\$ 744,990</u>	<u>\$ 1,708</u>	<u>\$ 13,067</u>	<u>\$ 39,751</u>	<u>\$ 632,447</u>	<u>\$ 376,402</u>	<u>\$4,430,532</u>
January 1	\$1,533,249	\$1,088,918	\$ 744,990	\$ 1,708	\$ 13,067	\$ 39,751	\$ 632,447	\$ 376,402	\$4,430,532
Addition	898	325	70,235	2,940	2,961	26,271	99,566	441,194	644,390
Transfer (Note)	-	151,464	92,371	-	-	7,493	60,069	(207,419)	103,978
Reclassification of non-current assets held Assets	- (60,303)	-	-	-	-	-	-	-	(60,303)
Costs of disposal of assets	- (20,727)	(57,579)	(945)	(8,061)	(4,021)	(9,587)	-	-	(100,920)
Accumulated depreciation on disposal date	-	3,575	57,176	730	7,413	3,897	8,399	-	81,190
Capitalization of interest	-	-	-	-	-	-	-	3,507	3,507
Depreciation expense	- (58,607)	(120,596)	(626)	(6,706)	(16,307)	(68,635)	-	-	(271,477)
Net exchange differences	<u>-</u>	<u>972</u>	<u>(1)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>968</u>
December 31	<u>\$1,534,147</u>	<u>\$1,105,617</u>	<u>\$ 786,596</u>	<u>\$ 3,807</u>	<u>\$ 8,671</u>	<u>\$ 57,084</u>	<u>\$ 722,259</u>	<u>\$ 613,684</u>	<u>\$4,831,865</u>
December 31									
Cost	\$1,534,147	\$1,686,642	\$1,942,967	\$ 34,312	\$ 58,646	\$ 172,636	\$1,239,983	\$ 613,684	\$7,283,017
Accumulated depreciation	<u>-</u>	<u>(581,025)</u>	<u>(1,156,371)</u>	<u>(30,505)</u>	<u>(49,975)</u>	<u>(115,552)</u>	<u>(517,724)</u>	<u>-</u>	<u>(2,451,152)</u>
	<u>\$1,534,147</u>	<u>\$1,105,617</u>	<u>\$ 786,596</u>	<u>\$ 3,807</u>	<u>\$ 8,671</u>	<u>\$ 57,084</u>	<u>\$ 722,259</u>	<u>\$ 613,684</u>	<u>\$4,831,865</u>

Note: It represents a transfer of \$103,957 for prepaid equipment, \$97 for prepaid construction and a transfer of \$76 to expenses.

1. Details of the Group's property, plant and equipment pledged to others as collateral are provided in Note 8.
2. Due to legal restrictions, part of the land of the Company's Sub-subsidiary, Ruentex Material, is held in the name of another person and a mortgage is created to Ruentex Material. Please refer to Note 7 for details.
3. Capitalized amount of borrowing costs for property, plant and equipment and interest rate range:

	<u>2021</u>	<u>2020</u>
Amount of capitalization	<u>\$ 1,536</u>	<u>\$ 3,507</u>
Interest rate collars of capitalization	0.90%~0.97%	0.88%~1.07%

4. In 2021 the Company's sub-subsidiary, Ruentex Material, recognized NT\$66,151 for the property, plant and equipment of its quarry cableway in impairment. Please refer to Notes 6(13) and (16) for details.

(10) Lease transactions - lessees

1. The underlying assets of the Group to be leased include the land for operation, operating offices, Zhonglun Building office, company vehicles and mines from others in the form of operating lease, and the lease period is from 2012 to 2084. The lease contracts are negotiated individually, with different terms and conditions. The leased assets are neither to be used as collaterals for loans, nor the rights to be transferred to others in the form of business transfer or merge, among other forms.
2. The information of the right-of-use assets are as the following:

	<u>2021</u>				
	<u>Land – rent</u>	<u>Buildings – rent</u>	<u>Land – premiums</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1					
- Cost	\$ 200,199	\$ 1,089,273	\$ 1,812,568	\$ 6,745	\$ 3,108,785
- Accumulated depreciation (	63,539)	(226,394)	(63,632)	(1,147)	(354,712)
- Accumulated impairment	-	-	(187,045)	-	(187,045)
	<u>\$ 136,660</u>	<u>\$ 862,879</u>	<u>\$ 1,561,891</u>	<u>\$ 5,598</u>	<u>\$ 2,567,028</u>
January 1	\$ 136,660	\$ 862,879	\$ 1,561,891	\$ 5,598	\$ 2,567,028
Addition-Newly added lease contracts	50	380,008	-	-	380,058
Modifications to leases	658	-	-	-	658
Reclassification - costs	(39,580)	-	(400,481)	-	(440,061)
Reclassification - accumulated depreciation (Note)	1,626	-	13,149	-	14,775
Reclassification - accumulated amortization (Note)	-	-	97,480	-	97,480
Cost of derecognition	(23)	(183,401)	-	-	(183,424)
Accumulated depreciation, derecognized	23	183,401	-	-	183,424
Depreciation expense	(34,065)	(184,031)	(29,552)	(2,250)	(249,898)
Impairment loss	-	-	(216)	-	(216)
December 31	<u>\$ 65,349</u>	<u>\$ 1,058,856</u>	<u>\$ 1,242,271</u>	<u>\$ 3,348</u>	<u>\$ 2,369,824</u>

December 31					
- Cost	\$ 161,304	\$ 1,285,880	\$ 1,412,087	\$ 6,745	\$ 2,866,016
- Accumulated depreciation (	95,955)	(227,024)	(80,035)	(3,397)	(406,411)
- Accumulated impairment	<u>-</u>	<u>-</u>	<u>(89,781)</u>	<u>-</u>	<u>(89,781)</u>
	<u>\$ 65,349</u>	<u>\$ 1,058,856</u>	<u>\$ 1,242,271</u>	<u>\$ 3,348</u>	<u>\$ 2,369,824</u>

Note: Reclassification to investment properties of NT\$327,806.

	2020				
	<u>Land - rent</u>	<u>Buildings - rent</u>	<u>Land - premiums</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1					
- Cost	\$ 195,821	\$ 327,440	\$ 1,812,568	\$ -	\$ 2,335,829
- Accumulated depreciation(	33,130)	(77,826)	(32,511)	-	(143,467)
- Accumulated impairment	<u>-</u>	<u>-</u>	<u>(185,502)</u>	<u>-</u>	<u>(185,502)</u>
	<u>\$ 162,691</u>	<u>\$ 249,614</u>	<u>\$ 1,594,555</u>	<u>\$ -</u>	<u>\$ 2,006,860</u>
January 1	\$ 162,691	\$ 249,614	\$ 1,594,555	\$ -	\$ 2,006,860
Addition-Newly added lease contracts	7,216	771,679	-	6,745	785,640
Modifications to leases	(154)	(2,722)	-	-	(2,876)
Cost of derecognition	(2,684)	(3,216)	-	-	(5,900)
Accumulated depreciation, derecognized	2,684	3,216	-	-	5,900
Depreciation expense	(33,093)	(155,689)	(31,121)	(1,147)	(221,050)
Impairment loss	-	-	(1,543)	-	(1,543)
Net exchange differences	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>(3)</u>
December 31	<u>\$ 136,660</u>	<u>\$ 862,879</u>	<u>\$ 1,561,891</u>	<u>\$ 5,598</u>	<u>\$ 2,567,028</u>
December 31					
- Cost	\$ 200,199	\$ 1,089,273	\$ 1,812,568	\$ 6,745	\$ 3,108,785
- Accumulated depreciation(	63,539)	(226,394)	(63,632)	(1,147)	(354,712)
- Accumulated impairment	<u>-</u>	<u>-</u>	<u>(187,045)</u>	<u>-</u>	<u>(187,045)</u>
	<u>\$ 136,660</u>	<u>\$ 862,879</u>	<u>\$ 1,561,891</u>	<u>\$ 5,598</u>	<u>\$ 2,567,028</u>

3. Rents and premiums to lands are as follows:

- (1) In January 2014, Ruentex Construction signed the land superficies rights contracts with Northern Region Branch, National Property Administration, MOF for the two lands located at Land No. 265, sub-section 6, Baoqing Section, Songshan District, Taipei City with a contract period of 70 years. The total royalty amounted NT\$1,711,112 was paid in full up on the signing of contract. In addition to the royalty, monthly rent equal to 3.5% of the publicly announced land value should be paid monthly. The premium was paid in full in January 2014, and the registration for the superficies right was completed on January 15, 2014.
- (2) Citylink Nangang signed the construction contraction and operation contract for Nangang Railway Station building with the Taiwan Railway Administrations in December 2006; Citylink Songshan signed the private participation in construction and

operation contract for Songshan Railway Station building and parking tower with the Taiwan Railway Administrations in May 2007. Details of the contracts are as follows:

A. Construction and operation contract for Taiwan Railway Nangang Railway Station Building:

a. Period of development and operation:

A total of 52 years since the signing date of superficies right contract. Citylink Nangang signed the superficies right contract on September 27, 2012. Taiwan Railway Administrations handed over the associated land and building to Citylink Nangang, and Citylink Nangang confirmed and accepted on October 19, 2012. The registration for setting the superficies right was completed on October 25, 2012, and a guarantee note amounting NT\$250,000 was pledged as collateral on the same date.

b. Development premium:

Citylink Nangang should pay a total of NT\$80 million development premium in 5 installments from the year of contract signing. The former development premium was paid in full.

c. Operation premium:

Within the approximate 52 years, from the date that the building and equipment associated to the Nangang Railway Station Building project were confirmed and handed over to Citylink Nangang to the end of the operation period, Citylink Nangang should pay certain amounts of premium each year, totaling NT\$6.82548 billion. As of December 31, 2021 and 2020, the cumulative premiums paid were NT\$704,244 and NT\$629,379, respectively.

D. Performance bond:

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

e. Land rent:

During the construction period, the land rent is calculated as 1% of the total announced land value; during the operation period, the land rent is calculated as 1%~3% of the total announced land value. In addition, Citylink Nangang reached an agreement with Taiwan Railway Administrations to waive land rent for 2016, and the land rent amount of NT\$39,764 paid in 2016 will be debited to the land rent payable across the following 4 years. The debit amount was NT\$9,764 for the first year, and NT\$10,000 for the remaining 3 years. As of December 31, 2021 and 2020, the effect of the initially applying IFRS 16 to the above amounts is \$20,000, which is recognized in "Investment Property" Land - Rent.

f. Return and transfer of operating assets:

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

g. Other agreed matters:

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

	2021	2020
Operation income	\$ 21,123	\$ 21,128
Operation Cost	(77,707)	(74,202)
Net operating losses	(\$ 56,584)	(\$ 53,074)

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

a. Period of development and operation:

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

b. Development premium:

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

c. Operation premium:

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

d. Performance bond:

Citylink Songshan should pay the performance bond of NT\$20 million before signing the contract, and another performance bond of NT\$80 million before date for the transfer date of land and building assigned by Taiwan Railway Administration. The aforementioned bond was paid with guarantee bond certificate issued by the domestic bank that is registered with the Ministry of Finance. Upon completion of construction and receipt of use permit, as specified in the contract, the Taiwan Railway Administrations should return NT\$50 million of performance bond. Citylink Songshan took back the certificate in May 2015. In the event of default by Citylink Songshan resulting in termination of

contract by the Taiwan Railway Administrations, the Taiwan Railway Administrations can forfeit the performance bond.

e. Land rent:

During the construction period, the land rent is calculated as 1% of the total announced land value; during the operation period, the land rent is calculated as 1%~3% of the total announced land value.

f. Return and transfer of operating assets:

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

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Total amount of lease liabilities	\$ 10,468,544	\$ 11,080,440
Less: Due within one year (listed as lease liabilities - current)	(277,988)	(204,307)
	<u>\$ 10,190,556</u>	<u>\$ 10,876,133</u>

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

	<u>2021</u>	<u>2020</u>
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	\$ 257,569	\$ 258,185
Expenses of short-term lease contracts	73,295	48,469
Variable lease payments	<u>727</u>	<u>445</u>
	<u>\$ 331,591</u>	<u>\$ 307,099</u>
Gains on lease modifications	<u>\$ -</u>	<u>\$ 23</u>

6. The Group's total lease cash outflows were NT\$553,822 and NT\$507,360 in 2021 and 2020, respectively, which consisted of NT\$73,295 and NT\$48,469 for short-term lease contracts; NT\$727 and NT\$445 for variable lease payments; NT\$252,134 and NT\$258,185 for interest expense on lease liabilities; and NT\$227,666 and NT\$200,261 for lease principal repayments.

7. Influences to the lease liabilities from variable leases

(1) The subsidiary of the Company, Ruentex Bai Yi, has an underlying lease subject to the variable lease payment terms in the lease contract, which is the rent revenues from the proprietary booths which were the Service Center included to OT mall. To the underlying lease in the scope, the premium is calculated based on "50% of the net revenues from proprietary booths" or "the minimum payment of the committed operation premium," whichever is higher. For the rent revenues of the proprietary booths related to the sales amount variation, shall 50% of the net value exceed "the minimum payment of the committed operation premium," such variable lease payments were recognized as expenses during the contract term.

The costs of premium for 2021 and 2020 were calculated as the following:

	2021	2020
Revenues from proprietary booths	\$ 8,504	\$ 7,801
Costs of premiums	\$ 4,252	\$ 3,901

(2) In a lease contract of Ruentex Material, the Company's sub-subsidiary, the subject matter of the variable lease payment clause is the Taipei Port cement powder warehouse and storage and transfer system, and the rent is based on the monthly scheduled receipt or the minimum guaranteed quantity of 15,000 tons per month, whichever is higher. The variable lease payment related to scheduled receipt is recognized as an expense in the period in which these payment terms are triggered.

8. The Company's sub-subsidiary, Ruentex Material, originally leased one parcel of state-owned mining land (land lot No. 0026-0001) and three parcels of state-owned mining land (land lot No. 0026-0002) in the Ke-Bao-Shan Section of Xiulin Township, Hualien County. As the limestone mines in the above-mentioned mining area almost ran out and Ruentex Material did not apply for the renewal of the lease agreement to the National Property Administration, Ministry of Finance, the lease relationship has been terminated. The above-mentioned land parcels were already returned to by the administration on May 7, 2021. The security deposits of NT\$367 and NT\$2,487 paid by Ruentex Material were fully returned on October 8, 2021.
9. Yilan Luodong Business Area No. 70, 71, 73-75, 80, 82-85 and Nan'ao Business Area No. 27 and 28 were leased by Ruentex Material for mineral field use, as the said leases expired on June 18, 2020, Ruentex Material has applied to the competent authorities for the renewal of the leases. As of December 31, 2021, the Luodong District Office of the Forestry Bureau of the Council of Agriculture, Executive Yuan, will conduct a review to comply with the Article 13 of the Regulations for Conservation Forest Managements.
10. Please refer to Note 8 for the descriptions of the information of these collaterals provides with the right-of-use assets.
11. The Group adopted the practical expedient method on "COVID-19 related rental concessions" and recognized gains of NT\$47,846 and NT\$24,506 (listed under "Other

income") for the years ended December 31, 2021 and 2020 for the change in lease payments resulting from the rent concessions, and a total of NT\$90,094 and NT\$63,129 for the years ended December 31, 2021 and 2020 for the Group's rent concessions for shopping malls and hotels.

12. Ruentex Xu-zhan, a subsidiary of the Company, received a notice from the Taiwan Railway on July 22, 2021. As per Article 2 of the Measures for Rent and Fixed Royalty Reduction in Response to the COVID-19 Pandemic of Taiwan Railways Administration, Ministry of Transportation and Communications, 50% of the total amount of royalties payable from May 15, 2021 to August 31, 2021, totaling NT\$25,132 (tax included), was reduced, of which NT\$24,267 was deducted from the payable in the third quarter, and the remaining NT\$865 would be returned in the form of sales returns.
13. Ruentex Bai-yi, a subsidiary of the Company, received a notice from the Taiwan Railway on July 27, 2021. As per Article 2 of the Measures for Rent and Fixed Royalty Reduction in Response to the COVID-19 Pandemic of Taiwan Railways Administration, Ministry of Transportation and Communications, 50% of the total amount of rents and royalties payable from May 15, 2021 to August 31, 2021, totaling NT\$17,772 (tax included), was reduced. However, Ruentex Bai-yi has paid the relevant rents and royalties for 2021 at the beginning of the period, so Taiwan Railway would return the relevant payment back to Ruentex Bai-yi in the form of sales returns. As per the practical expedients of "COVID-19-related rent concessions, Ruentex Bai-yi recognized the payment in gain on changes in lease payments arising from rent concessions within a reasonable period after receiving it.
14. Ruentex Bai-yi, a subsidiary of the Company, received a notice from the Taiwan Railway on November 16, 2021 that from the year 2022 onwards, it shall pay land rents calculated as per Article 2 of the Regulations for Favorable Rentals Regarding Public Land Lease and Superficies in Infrastructure Projects, and in 2021, its right-of-use assets decreased by NT\$2,982, investment property by NT\$746,447, and lease liabilities by NT\$749,429.
15. Please refer to Note 6(12) for the details of impairment of right-to-use assets.

(11) Lease transactions - lessor

1. The Group's underlying assets to be leased include the Songshan Station Building, Nangang Station Building, Songshan Baoqing Building "Ruentex Daikanyama," the parking lot in Neihu shopping malls, Ruenfu Newlife and some of the Company's projects. The terms of the leases are between 2015 to 2043. The lease contracts are negotiated individually, with different terms and conditions. The leased assets are neither to be used as collaterals for loans, nor the rights to be transferred to others in the form of business transfer or merge, among other forms. Please refer to Note 6 (20) for the information related to Songshan Baoqing Building.
2. For the year ended December 31, 2021 and 2020, the Group recognized rental income of NT\$1,302,078 and NT\$1,263,507 in 2021 and 2020, respectively, based on operating lease contracts. ; the aforementioned lease income, in addition to lease income specified in the contract, includes the long-term lease receivable, arising from the amortization of total lease amount using straight-line method over the lease period, recognized as income of the period, amounting (NT\$42,611) and (NT\$47,662).

3. As of December 31, 2021 and 2020, the Group's long-term lease receivable recognized as amortization for the total lease income using the straight-line method over the lease period is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Long-term notes and accounts receivable	\$ 417,236	\$ 459,847
Less: Due within one year (listed as other accounts receivable)	<u>(48,975)</u>	<u>(33,809)</u>
	<u>\$ 368,261</u>	<u>\$ 426,038</u>

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

	<u>December 31, 2021</u>		<u>December 31, 2020</u>
2022	\$ 1,359,250	2021	\$ 1,328,844
2023	1,368,935	2022	1,331,579
2024	1,348,468	2023	1,342,129
2025	1,265,141	2024	1,324,530
2026 and after	<u>4,049,724</u>	2025 and after	<u>5,257,197</u>
	<u>\$ 9,391,518</u>		<u>\$ 10,584,279</u>

(12) Investment Real Estate

2021

	<u>Land</u>	<u>Land - rent</u>	<u>Land - premiums</u>	<u>Operation premiums</u>	<u>Buildings</u>	<u>Total</u>
January 1						
- Cost	\$ 1,008,724	\$ 4,054,883	\$ 976,457	\$ 4,416,229	\$ 12,971,216	\$ 23,427,509
- Accumulated depreciation	-	(168,345)	(27,065)	(185,751)	(1,864,923)	(2,246,084)
- Accumulated impairment	-	-	(199,834)	-	-	(199,834)
	<u>\$ 1,008,724</u>	<u>\$ 3,886,538</u>	<u>\$ 749,558</u>	<u>\$ 4,230,478</u>	<u>\$ 11,106,293</u>	<u>\$ 20,981,591</u>
January 1	\$ 1,008,724	\$ 3,886,538	\$ 749,558	\$ 4,230,478	\$ 11,106,293	\$ 20,981,591
Addition	-	-	-	-	1,638	1,638
Modifications to leases	-	(746,447)	-	-	-	(746,447)
Reclassification - costs (Note)	-	39,580	400,481	-	-	440,061
Reclassification - accumulated depreciation (Note)	-	(1,626)	(13,149)	-	-	(14,775)
Reclassification - accumulated amortization (Note)	-	-	(97,480)	-	-	(97,480)
Depreciation expense	-	(84,616)	(14,314)	(92,876)	(288,272)	(480,078)
Impairment loss	-	-	(717)	-	-	(717)
Net exchange differences	-	-	-	-	(354)	(354)
	<u>\$ 1,008,724</u>	<u>\$ 3,093,429</u>	<u>\$ 1,024,379</u>	<u>\$ 4,137,602</u>	<u>\$ 10,819,305</u>	<u>\$ 20,083,439</u>
December 31						
December 31						
- Cost	\$ 1,008,724	\$ 3,348,016	\$ 1,376,938	\$ 4,416,229	\$ 12,972,369	\$ 23,122,276
- Accumulated depreciation	-	(254,587)	(54,528)	(278,627)	(2,153,064)	(2,740,806)
- Accumulated impairment	-	-	(298,031)	-	-	(298,031)
	<u>\$ 1,008,724</u>	<u>\$ 3,093,429</u>	<u>\$ 1,024,379</u>	<u>\$ 4,137,602</u>	<u>\$ 10,819,305</u>	<u>\$ 20,083,439</u>

Note: It is the reclassification of right-of-use assets in the amount of NT\$327,806.

2020

	<u>Land</u>	<u>Land - rent</u>	<u>Land - premiums</u>	<u>Operation premiums</u>	<u>Buildings</u>	<u>Total</u>
January 1						
- Cost	\$ 1,008,724	\$ 3,996,347	\$ 976,457	\$ 4,416,229	\$ 12,972,125	\$ 23,369,882
- Accumulated depreciation	-	(83,166)	(14,274)	(92,875)	(1,563,095)	(1,753,410)
- Accumulated impairment	-	-	(198,178)	-	-	(198,178)
	<u>\$ 1,008,724</u>	<u>\$ 3,913,181</u>	<u>\$ 764,005</u>	<u>\$ 4,323,354</u>	<u>\$ 11,409,030</u>	<u>\$ 21,418,294</u>
January 1	\$ 1,008,724	\$ 3,913,181	\$ 764,005	\$ 4,323,354	\$ 11,409,030	\$ 21,418,294
Modifications to leases	-	58,536	-	-	-	58,536
Depreciation expense	-	(85,179)	(12,791)	(92,876)	(302,068)	(492,914)
Impairment loss	-	-	(1,656)	-	-	(1,656)
Net exchange differences	-	-	-	-	(669)	(669)
	<u>\$ 1,008,724</u>	<u>\$ 3,886,538</u>	<u>\$ 749,558</u>	<u>\$ 4,230,478</u>	<u>\$ 11,106,293</u>	<u>\$ 20,981,591</u>
December 31						
December 31						
- Cost	\$ 1,008,724	\$ 4,054,883	\$ 976,457	\$ 4,416,229	\$ 12,971,216	\$ 23,427,509
- Accumulated depreciation	-	(168,345)	(27,065)	(185,751)	(1,864,923)	(2,246,084)
- Accumulated impairment	-	-	(199,834)	-	-	(199,834)
	<u>\$ 1,008,724</u>	<u>\$ 3,886,538</u>	<u>\$ 749,558</u>	<u>\$ 4,230,478</u>	<u>\$ 11,106,293</u>	<u>\$ 20,981,591</u>

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

	<u>2021</u>	<u>2020</u>
Rental income from investment properties (Note 1)	<u>\$ 1,302,078</u>	<u>\$ 1,263,507</u>
The direct operating expenses of the investment property incurred during the current period (Note 2)	<u>\$ 741,655</u>	<u>\$ 722,162</u>
The direct operating expenses of the investment property not incurred during the current period (Note 2)	<u>\$ 1,088</u>	<u>\$ 369</u>

Note 1: The rent revenues from the investment properties in 2021 include the lease revenue - real estate properties for NT\$1,274,905 and lease revenue - proprietary booths for NT\$27,173; the rent revenues from the investment properties in 2020 include the lease revenue - real estate properties for NT\$1,228,405 and lease revenue - proprietary booths for NT\$35,102.

Note 2: The direct operating expenses of the investment properties incurred in 2021 include the lease costs - real estate properties for NT\$722,455 and lease costs - proprietary booths for NT\$20,288; the direct operating expenses of the investment properties incurred in 2020 include the lease costs - real estate properties for NT\$701,143 and the lease costs - proprietary booths for NT\$21,388.

2. The carrying value of certain investment properties held by the Group as of December 31, 2021 and 2020 were NT\$1,938,537 and NT\$1,966,252, respectively. The fair values of these properties were assessed to be NT\$3,148,910 and NT\$2,988,769, respectively, based on the transaction price of similar properties in the relevant neighboring areas, which are classified as Level 3 fair values. For the other investment properties with carrying values of NT\$18,144,902 and NT\$19,015,339, plus the right-to-use assets - land and property, plant and equipment for the land at Baoqing section, the fair values of which totaled NT\$27,642,578 and NT\$27,922,259, respectively, are also classified as Level 3 fair values.

The aforementioned fair values were resulted from the independent appraisers, by applying the income approach, with the following major assumptions:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Growth rate	1.20%~2.00%	1.40%~2.00%
Discount rate	2.47%~3.13%	2.48%~3.13%

Based on the aforementioned appraisal results, it is shown that there were impairment to the investment properties - premiums and right-of-use assets - land - premiums. An impairment loss - investment property - land - royalties of NT\$717 and NT\$1,656 and an impairment loss - right-of-use assets - land - royalties of NT\$216 and NT\$1,543 were recorded at December 31, 2021 and 2020, respectively.

3. Details of the Group's investments property pledged to others as collateral are provided in Note 8.

(13) Intangible Assets

2021						
	<u>Mineral source</u>	<u>Trademarks ,patents and franchise</u>	<u>Computer software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
January 1						
- Cost	\$234,076	\$ 57,040	\$ 81,386	\$ 2,553	\$ 56,371	\$431,426
- Accumulated amortization	(60,416)	(33,876)	(76,323)	-	(6,840)	(177,455)
	<u>\$173,660</u>	<u>\$ 23,164</u>	<u>\$ 5,063</u>	<u>\$ 2,553</u>	<u>\$ 49,531</u>	<u>\$253,971</u>
January 1	\$173,660	\$ 23,164	\$ 5,063	\$ 2,553	\$ 49,531	\$253,971
Addition	-	5,111	7,933	-	10,281	23,325
Cost of asset derecognition	-	-	(71)	-	-	(71)
Balance of accumulated amortization on the derecognition date	-	-	71	-	-	71
Amortization expense	-	(2,750)	(3,026)	-	(6,839)	(12,615)
Impairment loss	(61,972)	-	-	-	(11,240)	(73,212)
December 31	<u>\$111,688</u>	<u>\$ 25,525</u>	<u>\$ 9,970</u>	<u>\$ 2,553</u>	<u>\$ 41,733</u>	<u>\$191,469</u>
December 31						
- Cost	\$234,076	\$ 62,151	\$ 89,248	\$ 2,553	\$ 66,652	\$454,680
- Accumulated amortization	(60,416)	(36,626)	(79,278)	-	(13,679)	(189,999)
- Accumulated impairment	(61,972)	-	-	-	(11,240)	(73,212)
	<u>\$111,688</u>	<u>\$ 25,525</u>	<u>\$ 9,970</u>	<u>\$ 2,553</u>	<u>\$ 41,733</u>	<u>\$191,469</u>

2020						
	<u>Mineral source</u>	<u>Trademark, patent and franchise</u>	<u>Computer software</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
January 1						
- Cost	\$234,076	\$ 52,012	\$ 79,955	\$ 2,553	\$ 41,727	\$410,323
- Accumulated amortization	(60,416)	(31,401)	(74,082)	-	-	(165,899)
	<u>\$173,660</u>	<u>\$ 20,611</u>	<u>\$ 5,873</u>	<u>\$ 2,553</u>	<u>\$ 41,727</u>	<u>\$244,424</u>
January 1	\$173,660	\$ 20,611	\$ 5,873	\$ 2,553	\$ 41,727	\$244,424
Addition	-	5,571	2,124	-	14,644	22,339
Transferred expenses	-	(543)	-	-	-	(543)
Cost of asset derecognition	-	-	(704)	-	-	(704)
Balance of accumulated amortization on the derecognition date	-	-	704	-	-	704
Amortization expense	-	(2,475)	(2,933)	-	(6,840)	(12,248)
Net exchange differences	-	-	(1)	-	-	(1)
December 31	<u>\$173,660</u>	<u>\$ 23,164</u>	<u>\$ 5,063</u>	<u>\$ 2,553</u>	<u>\$ 49,531</u>	<u>\$253,971</u>
December 31						
- Cost	\$234,076	\$ 57,040	\$ 81,386	\$ 2,553	\$ 56,371	\$431,426
- Accumulated amortization	(60,416)	(33,876)	(76,323)	-	(6,840)	(177,455)
	<u>\$173,660</u>	<u>\$ 23,164</u>	<u>\$ 5,063</u>	<u>\$ 2,553</u>	<u>\$ 49,531</u>	<u>\$253,971</u>

1. The Group's sub-subsidiary, Ruentex Material, owns the mine operation rights at Yilan Lankan Mine (Tai-Ji-Chai-Zi No. 5569 mine operation right) and Hualien Huahsin Mine (Tai-Ji-Chai-Zi No. 5345 Marble mine operation right) which will expire on June 18, 2032 and July 1, 2025, respectively. At present, the limestone quarrying in the original mining area has nearly been exhausted and an application has been made to the Bureau of Mines, Ministry of Economic Affairs, in accordance with Article 43 of the Mining Act for an extension of the mining area within the original mine operation rights (Expansion).

On September 15, 2020, the above-mentioned application for the Yilan Lankan Mine Expansion received the Administrative Disposition Jin Shou Chuan Zi No. 10920107100 from the Ministry of Economic Affairs, which stated, "Because the public land authority (i.e. the Luodong District Office of the Forestry Bureau of the Council of Agriculture, Executive Yuan) has indicated that the approval of mineral land is denied because it does not meet the requirements of No. 13 of the Regulations for Conservation Forest Managements; therefore, the application is rejected in accordance with Article 43 of the Mining Act." Ruentex Material filed a petition in accordance with the law on October 6, 2020 due to dissatisfaction with the administrative sanction imposed by the authority; however, the petition was rejected by the Executive Yuan, referenced Yuan-Tai-Su No. 1100178798 dated July 8, 2021. The material changes from the adverse impact on the Company's assets due to administrative authorities' finding of fact and the application of laws had led to signs of impairment of the Company's assets in accordance with the IAS 36. The property, plant and equipment of NT\$66,151 and intangible assets of NT\$73,212 related to the Yilan Lankan Mine, totaling NT\$139,363, were recognized in impairment losses. Please refer to Note 6(16) for details.

However, to ensure the rights and interests of the Company's assets and its right to use, if the Company can expand the mine for the mining resources held in accordance with the law and continue to mine, it will make a reasonable contribution to the Company's future profits. An administrative lawsuit regarding the Yilan Lankan Mine expansion was filed to a high administrative court on September 9, 2021. As of the reporting date, the lawsuit is still ongoing.

The mining and transportation method for the Hualien Huahsin Mine expansion application was to borrow another entity's road. However, because the consent to pass through the adjacent mines was not obtained, Ruentex Material took the initiative to withdraw the application and will file another application after re-planning. As of the reporting date, the relevant planning is still in progress and the application procedure has not yet been completed.

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

	2021	2020
Operation Cost	\$ 7,978	\$ 7,974
Selling and marketing expenses	66	124
Administrative expense	4,571	4,150
	<u>\$ 12,615</u>	<u>\$ 12,248</u>

(14) Non-current assets held for sale, net

The Company's sub-subsidiary, Newzone Fashion Ltd., discontinued the business operations on June 30, 2020 as resolved by its shareholders' meeting in June 2020. On August 10, 2020, the Board of Directors resolved to sell the real estate - housing, and therefore, the related real estate was transferred to non-current assets held for sale.

The contracts for the sale of the aforementioned real estate properties were signed in October and November 2020, respectively, and the transfer of ownership of the buildings in Chaoyang District, Beijing and Minhang District, Shanghai was completed before December 31, 2020 for a contract price (including tax) of \$71,625 (approximately RMB16,729 thousand) with a gain on disposal of \$27,584 (approximately RMB6,442 thousand), all of which have been collected.

The transfer of ownership of another building located in Minhang District, Shanghai was completed on February 9, 2021. The contract price (including tax) was NT\$35,411 (approximately RMB8,150 thousand) and the gain on disposal was \$18,315 (approximately RMB4,215 thousand); the aforementioned amount was fully collected.

As of December 31, 2021 and 2020, the balance of non-current assets held for sale was as follows:

1. Non-current assets held for sale

	<u>Buildings and structures</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cost	\$ -	\$ 20,018
Accumulated depreciation	-	(3,603)
	<u>\$ -</u>	<u>\$ 16,415</u>

2. The non-current asset held for sale is remeasured at the lesser of the carrying amount and the fair value less costs to sell. The above-mentioned fair values are based on the real estate sale and purchase agreements between the parties.

(15) Other non-current Assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Restricted bank deposits	\$ 32,682	\$ 32,441
Guarantee deposits paid	164,937	137,073
Others	<u>29,544</u>	<u>26,038</u>
	<u>\$ 227,163</u>	<u>\$ 195,552</u>

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

(16) Impairment of non-financial Assets

1. The details of impairment losses recognized by the Group in 2021, totaling NT\$140,296, are as follows:

	<u>2021</u>	
	<u>Recognized in current profit or loss</u>	
Impairment loss - property, plant and equipment		
Buildings and structures	\$	10,331
Machinery and equipment		55,441
Other equipment		379
Subtotal		<u>66,151</u>
Impairment loss - right-of-use assets		
Land - premiums		<u>216</u>
Impairment loss - investment property		
Land - premiums		<u>717</u>
Impairment loss - intangible assets		
Mineral source		61,972
Other intangible assets		<u>11,240</u>
Subtotal		<u>73,212</u>
Total	\$	<u>140,296</u>

2. The details of the above impairment losses disclosed by segment are as follows:

	<u>2021</u>	
	<u>Recognized in current profit or loss</u>	
Commercial Real Estate	\$	717
Construction Business Department		216
Building Materials Division		<u>139,363</u>
	\$	<u>140,296</u>

3. Please refer to Note 6(9), (10), (12), and (13) for the description of the above impairment losses.

(17) Short-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Secured bank loan	\$ 300,000	\$ 300,000
Credit bank loan	<u>1,980,000</u>	<u>2,450,000</u>
	<u>\$ 2,280,000</u>	<u>\$ 2,750,000</u>
Interest rate collars	0.91% ~ 1.10%	0.87% ~ 1.12%

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Guarantee notes	<u>\$ 12,375,000</u>	<u>\$ 11,115,000</u>

(18) Short-term bills payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Commercial papers payable	\$ 5,130,000	\$ 4,880,000
Less: Unamortized discount	(2,325)	(1,379)
	<u>\$ 5,127,675</u>	<u>\$ 4,878,621</u>
Interest rate collars	0.28% ~ 1.08%	0.25% ~ 1.45%

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Guarantee notes	<u>\$ 9,210,000</u>	<u>\$ 10,950,000</u>

(19) Long-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Secured bank loan	\$ 17,024,000	\$ 18,928,000
Credit bank loan	<u>14,060,000</u>	<u>16,116,000</u>
	31,084,000	35,044,000
Less: Arrangement fees for leading banks of syndicated loan	(2,002)	(4,529)
	31,081,998	35,039,471
Face value of long term commercial paper	7,445,000	1,715,000
Less: Unamortized discount	(2,843)	(2,488)
Deferred expenses - transaction costs	(2,958)	(3,381)
	38,521,197	36,748,602
Less: Due within one year	(3,849,822)	(8,592,512)
Due within one operating cycle	(2,729,541)	(50,000)
	<u>\$ 31,941,834</u>	<u>\$ 28,106,090</u>
Interest rate collars	0.22% ~ 1.80%	0.25% ~ 2.00%

1. The Company signed a syndicated loan agreement with a bank group including Land Bank of Taiwan in July 2010 to provide the financing for the construction of the Company. The term of loan was from July 2014 to July 2026, the total loan amount was

NT\$ 4,600,000. Up to the date of December 31, 2021, the Company has drawn the credit amount of the contract performance guarantee letter at an amount of NT\$ 194,036. The main commitments of the Company are as follows:

- (1) The Company shall use the loan amount obtained under this agreement in the purpose of credit extension for payment specified in this agreement, and shall prepare accounting books and records as well as certificates for recordation.
 - (2) The Company shall provide the consolidated financial report audited by independent director as well as audited consolidated and unconsolidated financial reports within 60 days and 120 days after the first half and the end of each fiscal year respectively.
 - (3) Before obtaining the prior consents of all members of the syndicated loan banks, the Company shall not merger with others or demerger the Company according to the Company Act. However, where the Company is a survival company (after merger) and the merger result has no adverse impacts on its ability to perform obligations under this agreement, then such restriction shall not be applied.
2. The Company signed a long-term loan agreement with Chang Hwa Commercial Bank in November 2012 to provide the financing for the construction of the Company. The term of the loan was from November 2012 to March 2021, the total loan amount was NT\$ 7,576,000. The above loans were fully repaid in July 2020.
 3. The Company signed a long-term borrowing contract with Mega International Commercial Bank in April 2018 for its operating funds, and the loan period is from April 2018 to May 2022 with a credit line of NT\$7,500,000. As of December 31, 2021, the facility drawn was NT\$4,900,000.
 4. The Company signed a syndicated loan agreement with the financial institution group including Mega Bills in December 2018 to provide the operational financing necessary for the Company. The original term of the loan was from December 2018 to December 2021, and the Company extended the term to December 2023 in October 2021. The total loan amount was NT\$2,450,000. Up to the date of December 31, 2021, the Company has drawn down the credit amount of NT\$1,715,000. The main commitments of the Company are as follows:
 - (1) The Company shall use the loan amount obtained under this agreement in the purpose of credit extension for payment specified in this agreement, and shall prepare accounting books and records as well as certificates for recordation.
 - (2) The Company shall provide consolidated and unconsolidated financial reports audited by independent auditor within 120 days after the end of each fiscal year.
 - (3) The Company should maintain its time interest earned above 3 times and tangible net worth above \$18,000,000, and preceding ratio and standard should be based on the audited annual consolidated financial statements. If the financial ratio or agreed items cannot be satisfied, since the date of default, the Company should pay 0.1% of the outstanding principal at each lending bank as compensation on each check date until the financial ratio is met.
 5. The Company signed a long-term loan agreement with Chang Hwa Commercial Bank in July 2020 to provide the financing for the construction of the Company. The term of the loan was from July 2020 to July 2023, the total loan amount was NT\$ 4,900,000. Up to the date of December 31, 2021, the Company has drawn NT\$1,270,000.
 6. The Company signed a long-term loan agreement with Bank of Taiwan in September 2021 to provide the operational financing necessary for the Company. The term of the loan was from September 2021 to September 2024; the total loan amount was

NT\$5,000,000. Up to the date of December 31, 2021, the Company has drawn NT\$1,500,000.

7. Ruentex Development and financial institutions, including KGI Bank, entered into a syndicated loan contract in June 2021 for the fund needed to purchase land and build residential and commercial buildings on the land. The loan period is from July 2021 to July 2026 with a credit line of NT\$6,200,000. As of December 31, 2021, the facility drawn was NT\$2,680,000. The major agreed matters made by Ruentex Development are provided below:
 - (1) Ruentex Development and its joint guarantor (the Company) should provide the audited financial statements within 150 days after the end of each fiscal year.
 - (2) Without the written consent from the majority of the lending financial institutions, Ruentex Development shall not merge with another entity nor be demerged in accordance with the relevant laws and regulations. However, where it is a survival company (after merger) and the merger result has no adverse impacts on its ability to perform obligations under this agreement, then such restriction shall not apply.
 - (3) Without the prior written consent of the majority of the lending financial institutions, no major changes may be made to the scope or nature of business or shareholder structure. However, the change in equity as required by competent authorities and relevant laws and regulations is not subject to this provision.
 - (4) The funds drawn from this loan project shall be used to pay for the expenses specified in the purpose as agreed in the contract of this loan, and an accounting book shall be set up and the accounting records and receipts shall be kept to ensure accurate and complete details of this loan case.
8. Ruentex Development has signed a long term loan agreement with Hua Nan Bank in July 2018, for financing the operations of Ruentex Development. The loan period is five years from the date of the first drawing, with a credit line of NT\$1,400,000. The above loan has been fully repaid in April 2021.
9. Ruentex Development and financial institutions, including KGI Bank, entered into a contract for syndicated borrowing in October 2017 for the fund needed to purchase land and land for road. The loan period is from November 2017 to November 2021 with a credit line of NT\$2,680,000. The above loan has been fully repaid in July 2021.
10. Citylink Nangang has entered a long-term loan agreement with Bank of Taiwan in December 2018, to repay the outstanding balance of Ruentex Xu-zhan's syndicated loan related to the construction of the Nangang Railway Station Building for total credit line of NT\$3,822,000. The Class A and Class B of the loan period is from March 2019 to March 2029, and Class C is from December 2018 to December 2020. The contract was renewed upon maturity for the loan period from December 2020 to December 2022. As of December 31, 2021, the Class A facility drawn was NT\$2,320,000; Class B for NT\$100,000 performance bond certificate, and borrowing from Class C for NT\$300,000.
11. Citylink Songshan signed a credit facility contract with the Land Bank of Taiwan in January 2012 for the direct or indirect costs and expenses needed for the construction of Songshan Railway Station Building. The loan period is 12 years starting from the first drawdown date. After 5 years from the first drawdown date, an installment should be paid semi-annually, totaling 15 installments. The total credit line is NT\$3,600,000. As of December 31, 2021, Class E facility drawn was \$1,494,000, drawn from Class C for NT\$50,000, and Class D drawn for performance bond was \$50,000. The major

agreed matters made by Citylink Songshan are provided below:

- (1) Within the duration of the facility contract, without the bank's advance written consent, the collateral for the contract cannot be pledged to a third party.
- (2) Starting from the fifth year after the first draw down date and within duration of the contract, the it should maintain the financial ratio set out below:
 - a. Current ratio: should be maintained at 100%, however, starting from the effective date of the fourth supplement contract (May 29, 2018), the current ratio requirement was waived.
 - b. Times of interest earned: should be above 2 times (inclusive).

The above financial ratios and restrictions are calculated based on the borrowers' audited non-consolidated financial statements of the year as approved by the credit management bank. If the borrower does not meet any of the financial ratios above, it does not constitute a default event; However, monthly compensations, calculated using 0.1% annual interest rate multiplying the outstanding principal, should be paid from May 1 of the year to the end of month when the financial ratios or restrictions are met; for days less than one month, one month payment should be made; the compensation should be paid to the credit management bank on the first business day of the following month. Assessment of improvement of financial ratio above should be based on the audited or reviewed non-consolidated financial statements.

(3) Collateral:

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

12. Ruentex Development signed a long-term borrowing contract with Taishin International Bank in July 2017 to finance the Group's construction project, and the loan period is from July 2017 to July 2024 with a credit line of NT\$1,200,000. As of December 31, 2021, the facility drawn was NT\$800,000. The major agreements made by Ruentex Construction are described below:

- (1) Starting from 2018 and within duration of the contract, the it should maintain the financial ratio set out below:
 - a. debt to equity ratio: should not exceed 200%.
 - b. Times of interest earned: should be above 1.5 times (inclusive).

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

(2) Collateral:

- a. The associated superficies right obtained in accordance with the construction and operation contract and relevant contracts should be pledged to the collateral management bank with an mortgage amount of 1.2 times of total credit facility and a maximum amount of first-priority mortgage right as collateral for the

loan. The pledge period cannot exceed the permitted period.

- b. Once permitted by laws, the associated buildings and facilities should be included as collateral within three months after completion. The mortgage amount should be set at 1.2 times of the total credit line and pledged to the collateral management bank with a maximum amount of first-priority mortgage right, and the pledge period cannot exceed the permitted period.
13. Ruentex Development signed a long-term borrowing contract with Taishin International Bank in November 2020 to finance the Group's construction project, and the loan period is 3 years from the date of initial use of the loan with a credit line of NT\$388,000. As at December 31, 2021, the loan has not been drawn down.
14. Except items described above, the loan period for the remaining borrowings is from January 2016 to December 2027.
15. In addition to the pledged assets for long-term borrowings provided in Note 8, the Group also issued guarantee notes as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Guarantee notes	\$ 62,283,550	\$ 49,878,600

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Due within one year	\$ 1,900,000	\$ 3,439,627
Due longer than one year	26,239,606	17,414,856
	<u>\$ 28,139,606</u>	<u>\$ 20,854,483</u>

(20) Other non-current liabilities - other

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Guarantee deposits received	\$ 1,294,056	\$ 1,302,500
Accrued pension liabilities	184,058	217,463
Other non-Current liabilities	290,803	299,766
Warranty provision	117,014	99,350
	<u>\$ 1,885,931</u>	<u>\$ 1,919,079</u>

1. As of December 31, 2021 and 2020, the major part of the deposited bonds are the deposits paid by the tenants of the Company's subsidiary, Ruen Fu, for NT\$971,142 and NT\$988,902, respectively; others are the deposits for warranty and proprietary booths deposits.
2. In 2018, the Company's subsidiary, Ruentex Construction, introduced the superficies right-based house lease - Ruentex Daikanyama with a lease period of 25 years, and the lease is stated as advance lease receipt that is amortized and recognized as income monthly using the straight-line method during the lease period. In addition, as of December 31, 2021 and 2020, the advance rent receipt due within one year were NT\$18,565 and NT\$18,571, respectively, and were accounted for under "advance receipts", and the advance rent receipt due more than one year were NT\$262,144 and NT\$274,144 was accounted for under "other non-current liabilities".

(21)Pensions

1. (1) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Group contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Group would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions to cover the deficit by next March.
- (2) The amounts recognized in the balance sheet are determined as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligation	(\$ 404,717)	(\$ 442,525)
Fair value of plan assets	<u>220,659</u>	<u>225,062</u>
Defined benefit liability (listed as other non-current liabilities)	<u>(\$ 184,058)</u>	<u>(\$ 217,463)</u>

(3) Movements in net defined benefit liabilities are as follows:

	Defined benefit <u>obligation current value</u>	plan assets <u>Fair value</u>	Net affirmed <u>Benefit liabilities</u>
2021			
Balance, January 1	(\$ 442,525)	\$ 225,062	(\$ 217,463)
Current service cost	(2,479)	-	(2,479)
Interest (expense) revenue	(1,205)	633	(572)
	<u>(446,209)</u>	<u>225,695</u>	<u>(220,514)</u>
Re-measurements:			
Returns on plan assets (other than the amounts included in interest income or expense)	-	3,391	3,391
Effects of changes in demographic assumptions	(1,074)	-	(1,074)
Effects of changes in economic assumptions	11,181	-	11,181
Experience adjustments	<u>3,324</u>	<u>-</u>	<u>3,324</u>
	<u>13,431</u>	<u>3,391</u>	<u>16,822</u>
Contribution to pension fund	-	4,651	4,651
Payment of pension benefits	<u>28,061</u>	<u>(13,078)</u>	<u>14,983</u>
Balance, December 31	<u>(\$ 404,717)</u>	<u>\$ 220,659</u>	<u>(\$ 184,058)</u>

	Defined benefit <u>obligation current value</u>	plan assets <u>Fair value</u>	Net affirmed <u>Benefit liabilities</u>
2020			
Balance, January 1	(\$ 431,306)	\$ 223,963	(\$ 207,343)
Current service cost	(2,921)	-	(2,921)
Interest (expense) revenue	(2,830)	1,535	(1,295)
	<u>(437,057)</u>	<u>225,498</u>	<u>(211,559)</u>
Re-measurements:			
Returns on plan assets (other than the amounts included in interest income or expense)	-	7,076	7,076
Effects of changes in demographic assumptions	(140)	-	(140)
Effects of changes in economic assumptions	(14,113)	-	(14,113)
Experience adjustments	<u>(2,837)</u>	<u>-</u>	<u>(2,837)</u>
	<u>(17,090)</u>	<u>7,076</u>	<u>(10,014)</u>
Contribution to pension fund	-	4,110	4,110
Payment of pension benefits	<u>11,622</u>	<u>(11,622)</u>	<u>-</u>
Balance, December 31	<u>(\$ 442,525)</u>	<u>\$ 225,062</u>	<u>(\$ 217,463)</u>

- (4) The Bank of Taiwan was commissioned to manage the Fund of the Group's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.), and the performance of fund utilization is supervised by the Labor Funds Supervisory Committee. With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Group has no right to participate in managing and operating that fund and hence the Group is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan Assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.
- (5) The principal actuarial assumptions used were as follows:

	<u>2021</u>	<u>2020</u>
Discount rate	0.50% ~ 0.70%	0.20% ~ 0.38%
Future salary increase in percent	2.00% ~ 3.00%	2.00% ~ 3.00%

The future mortality rates in 2021 and 2020 were estimated based on the 6th and 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

		<u>Discount rate</u>		<u>Future salary increase in percent</u>	
		<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2021					
The impact on					
the present value of					
defined benefit					
obligations					
		(\$ 7,829)	\$ 8,082	\$ 7,901	(\$ 7,695)
December 31, 2020					
The impact on					
the present value of					
defined benefit					
obligations					
		(\$ 8,813)	\$ 9,105	\$ 8,870	(\$ 8,633)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of sensitivity analysis the current period are the same as the ones of the previous period.

- (6) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2022 amounts to NT\$6,204.
- (7) As of December 31, 2021, the weighted average duration of that retirement plan is 5–9 years. The analysis of timing of the future pension payment was as follows:

Less than 1 year	\$	32,369
1-2 years		28,362
2-5 years		69,832
More than 5 years		<u>273,368</u>
	\$	<u>403,931</u>

2. (1) Effective on July 1, 2005, the Company and its domestic subsidiaries have established a defined pension plan under the Labor Pension Act covering all regular employees with R.O.C. nationality. Under the defined contribution pension plan in compliance with the Labor Pension Act, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (2) The Group's sub-subsidiary Newzone Fashion Ltd. contributes a monthly amount equal to a fixed percentage of the local employees' monthly salaries and wages as a pension fund in accordance with the pension regulations in the People's Republic of China. The government administrates the pension fund, and other than the monthly contributions, the Group has no further obligations.
- (3) For the years ended December 31, 2021 and 2020, pension expenses were NT\$81,574 and NT\$72,841, respectively.

(22) Share-based payment

1. The share-based payment agreement of third-tier subsidiary Ruentex Interior Design in 2021 is as follows:

Type of agreement	Grant date	Quantity (shares)	Contract period	Vesting conditions
Shares retained from cash capital increase for employee subscription	2021.08.10	1,237,500	NA	Immediate vesting

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

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

	2021	
	Number of stock options (shares)	Strike price (NTD)
Outstanding stock options on January 1	-	\$ -
Stock options granted in this period	1,237,500	30
Stock options exercised in this period	(1,146,500)	30
Stock options that expired in the current period	(91,000)	30
Outstanding stock options on December 31	-	-

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

Type of agreement	Grant date	Fair value per share of options (NTD)	Expected price volatility	Expected duration (years)	Expected dividend rate	Strike price (NTD)	Risk-free rate	Fair value per share (NTD)
Shares retained from cash capital increase for employee subscription	2021.08.10	\$ 59.96	34.47%	0.08	0.00%	\$ 30	0.12%	\$ 29.9630

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

5.

	2021
Equity settled	\$ 37,079

(23) Capital

1. As of December 31, 2021, the Company's authorized capital was NT\$30,000,000, and the paid-in capital was NT\$21,068,334 (including share capital of convertible corporate bonds of NT\$384,539) with a par value of NT\$10 per share, all issued as ordinary shares. All proceeds from shares issued have been collected.

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

	2021	2020
January 1	1,504,881	1,003,254
Capitalization From Earnings	601,952	501,627
December 31	2,106,833	1,504,881

2. In order to adjust the capital structure of the Company and to improve the return on shareholders' equity, on June 9, 2020, through the resolution of shareholders' meeting, the Company executed capital increase for issuance of new shares based on the undistributed earnings NT\$5,016,270, and was approved by the competent authority, following which the alternation registration was completed on September 15, 2020.

3. The Company's shareholders' meeting reached the resolution threshold through electronic voting on June 12, 2021 and resolved on, July 23, 2021, to conduct capitalization of the undistributed earnings of NT\$6,019,524 by issuing new shares. It was reported to and approved by the competent authority, and the change registration was completed on October 13, 2021.
4. The treasury shares Ruentex Engineering & Construction accounted for by the Company refer to the subsidiary of the Company - Ruentex Engineering & Construction holding shares of the Company for the purpose of protecting the interests of the shareholders and the treasury shares for the associate of the Company - Ruentex Industries. as of December 31, 2021 and 2020, Ruentex Engineering & Construction held 7,195 thousand shares and 5,139 thousand shares, respectively. The information on their respective amounts is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Ruentex Engineering & Construction Co., Ltd. \$	19,984	\$ 19,984
Amount accounted for using equity method	<u>64,655</u>	<u>64,655</u>
	<u>\$ 84,639</u>	<u>\$ 84,639</u>

(24) Capital surplus

1. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
2. In accordance with Jin-Shang-Zi No.10202420460 of the Ministry of Economic Affairs on July 15, 2013, upon the adoption of IFRSs, if the change in parent's ownership in a subsidiary does not result in the loss of control, the capital surplus arising from the excess of share price over book value can be deemed as the income derived from the issuance of new shares at a premium as specified in Paragraph 1, Article 241 of the Company Act. In addition, according to Jing-Shang-Zi No. 10300532520 of MOEA dated March 31, 2014, for the capital surplus actually acquired as recorded or the difference between the disposal of subsidiary's equity and carrying value, Article 241 of the Company Act may be applicable in order to use it for issuance of new shares or cash.

3. Change of capital surplus is as follows:

2021							
	Issued at premium	Treasury share transactions	Dividends unclaimed by shareholders with claim period elapsed	Changes in the associates' net value of equity	Difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Total
January 1	\$17,283,659	\$ 136,626	\$ 12,263	\$553,916	\$ 1,535	\$ 159,192	\$ 18,147,191
Others	-	-	(259)	4,225	-	10,525	14,491
Income tax effect	-	-	-	(247)	-	(637)	(884)
December 31	<u>\$ 17,283,659</u>	<u>\$ 136,626</u>	<u>\$ 12,004</u>	<u>\$557,894</u>	<u>\$ 1,535</u>	<u>\$ 169,080</u>	<u>\$ 18,160,798</u>
2020							
	Issued at premium	Treasury share transactions	Dividends unclaimed by shareholders with claim period elapsed	Changes in the associates' net value of equity	Difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Total
January 1	\$17,283,659	\$ 136,626	\$ 12,614	\$ 542,776	\$ 1,535	\$ 159,192	\$18,136,402
Others	-	-	(351)	11,851	-	-	11,500
Income tax effect	-	-	-	(711)	-	-	(711)
December 31	<u>\$ 17,283,659</u>	<u>\$ 136,626</u>	<u>\$ 12,263</u>	<u>\$553,916</u>	<u>\$ 1,535</u>	<u>\$ 159,192</u>	<u>\$ 18,147,191</u>

(25) Retained earnings

1. According to the Company's Articles of Incorporation, the Current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses and then 10% of the remaining amount shall be set aside as legal reserve, following which special reserve shall be set aside or reversed according to the laws. If there are still remaining earnings, the remainder shall be combined with the prior year's accumulated retained earnings, and the board of directors shall establish earnings distribution proposal for submission to the shareholders' meeting for resolution on the retention or distribution thereof. 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.
2. Except for covering accumulated deficit or issuing new stocks or cash to shareholder in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- 3.(1) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (2) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi No. 1010012865 Letter dated April 6, 2012, shall be reversed proportionately when the relevant Assets are used, disposed of or reclassified subsequently.

4. (1) The Company's shareholders' meeting reached the resolution threshold through electronic voting on June 12, 2021 and resolved on, July 23, 2021, to distribute 2020 earnings. The shareholders' meeting passed the 2020 earnings distribution proposal on June 9, 2020. The details are as follows:

	2020		2019	
	Amount	Dividend per share (NTD)	Amount	Dividend per share (NTD)
Legal reserve	\$ 845,886		\$ 656,143	
Special reserve	-		(29,015,899)	
Cash dividends	1,504,881	\$ 1.00	1,003,254	\$ 1.00
Share dividend	6,019,524	4.00	5,016,270	5.00
Total	<u>\$8,370,291</u>		<u>(\$ 22,340,232)</u>	

5. Change of undistributed earnings is as follows:

	2021
January 1, 2021	\$ 37,360,519
Appropriation and distribution of retained earnings of 2020:	
- Legal reserve	(845,886)
- Share dividend	(6,019,524)
- Cash dividend	(1,504,881)
Unrealized valuation gains on financial assets transferred to retained earnings due to disposal	111,932
Unrealized valuation losses on financial assets transferred to retained earnings due to derecognition.	(6,547)
Disposal of equity instruments at fair value through other comprehensive income by the associates	7,750
Changes in associates & joint ventures accounted for using equity method	3,578
Net income of current period	16,242,546
Remeasurements of defined benefit obligation	7,662
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	75,094
Income tax relating to items that will not be reclassified:	
- Tax related to the group	(1,879)
- Tax related to the associates	(577)
December 31, 2021	<u>\$ 45,429,787</u>

	<u>2020</u>
Six months ended	\$ 6,561,429
Appropriation and distribution of retained earnings of 2019:	
- Legal reserve	(656,143)
- Special reserve	29,015,899
- Stock dividends	(5,016,270)
- Cash dividend	(1,003,254)
Unrealized valuation losses on financial assets transferred to retained earnings due to disposal	(9,678)
Disposal of equity instruments at fair value through other comprehensive income by the associates	3,887
Net income of current period	8,557,651
Remeasurements of defined benefit obligation	(4,813)
Portion of other comprehensive income from the associates and joint ventures accounted for using equity method	(89,956)
Income tax relating to items that will not be reclassified:	
- Tax related to the group	1,088
- Tax related to the associates	679
December 31, 2020	<u>\$ 37,360,519</u>

(26) Other equity items

	2021				
	Unrealized valuation income and loss	Foreign currency translation	Hedging reserve	By the overlay approach Reclassification	Total
January 1	\$ 27,411,106	(\$ 500,649)	\$ 6	\$ 11,881,669	\$38,792,132
Unrealized valuation profit or loss of financial assets:					
- Group	1,202,804	-	-	-	1,202,804
- Tax related to the group	(71,785)	-	-	-	(71,785)
- Associates (Note 1)	(18,993,137)	-	-	-	(18,993,137)
- Tax related to the associates	302,150	-	-	-	302,150
- Unrealized valuation gain transferred to retained earnings due to disposal (Note 2)	(111,932)	-	-	-	(111,932)
- Unrealized valuation losses transferred to retained earnings due to disposal (Note 2)	6,547	-	-	-	6,547
- Changes of disposing associates (Note 1)	(7,750)	-	-	-	(7,750)
Foreign currency translation differences:					
- Group	-	(159,750)	-	-	(159,750)
- Tax related to the group	-	31,505	-	-	31,505
- Associate	-	(29,184)	-	-	(29,184)
- Tax related to the associates	-	1,701	-	-	1,701
Reclassification by the overlay approach:					
- Associates (Note 1)	-	-	-	5,537,295	5,537,295
- Tax related to the associates	-	-	-	(39,045)	(39,045)
December 31	<u>\$ 9,738,003</u>	<u>(\$ 656,377)</u>	<u>\$ 6</u>	<u>\$ 17,379,919</u>	<u>\$ 26,461,551</u>

	2020				
	Unrealized valuation income and loss	Foreign currency translation	Hedging reserve	By the overlay approach reclassification	Total
January 1	\$ 12,510,399	(\$ 180,243)	\$ 75	\$ 576,781	\$ 12,907,012
Unrealized valuation profit or loss of financial assets:					
- Group	(24,791)	-	-	-	(24,791)
- Tax related to the group	932	-	-	-	932
- Associates (Note 1)	14,968,726	-	-	-	14,968,726
- Tax related to the associates	(49,951)	-	-	-	(49,951)
- Unrealized valuation gain transferred to retained earnings due to disposal (Note 2)	9,678	-	-	-	9,678
- Changes of disposing associates (Note 1)	(3,887)	-	-	-	(3,887)
Foreign currency translation differences:					
- Group	-	(348,716)	-	-	(348,716)
- Tax related to the group	-	69,693	-	-	69,693
- Associate	-	(43,915)	-	-	(43,915)
- Tax related to the associates	-	2,532	-	-	2,532
Cash flow hedge:					
- Associate	-	-	(69)	-	(69)
Reclassification by the overlay approach:					
- Associates (Note 1)	-	-	-	11,385,169	11,385,169
- Tax related to the associates	-	-	-	(80,281)	(80,281)
December 31	<u>\$ 27,411,106</u>	<u>(\$ 500,649)</u>	<u>\$ 6</u>	<u>\$ 11,881,669</u>	<u>\$ 38,792,132</u>

Note 1: Changes in unrealized valuation gains or losses and reclassification using the overlay approach are the effect of changes in the fair value and the disposal of financial assets at fair value through profit or loss and other comprehensive income held by associates Sinopac and Nan Shan Life Insurance.

Note 2: Please refer to Note 6(6)14 for details.

(27) Operation income

	2021	2020
Revenue from contracts with customers:		
Revenue from construction contracts	\$ 14,941,688	\$ 9,776,876
Revenue from sales of real estate	6,523,133	3,618,328
Revenue from sales of goods	3,575,177	3,407,634
Revenue from contract for service	255,294	288,878
Revenues from booths	408,385	454,616
Other revenue from contracts	288,129	274,750
Subtotal	25,991,806	17,821,082
Rental income:		
Lease income - real estate properties	1,274,905	1,228,405
Lease income - proprietary booths	27,173	35,102
Subtotal	1,302,078	1,263,507
Total	\$ 27,293,884	\$ 19,084,589

1. Detail of customer contract income

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

2021	Taiwan				Total
	Construction business	Building materials business	Hypermarket business	Other operations	
Departmental revenue	\$ 25,431,366	\$ 2,629,500	\$ 1,053,093	\$ 1,187,668	\$ 30,301,627
Revenue from internal department transactions	(3,955,218)	(150,035)	-	(204,568)	(4,309,821)
Revenue from contracts with external customers	\$ 21,476,148	\$ 2,479,465	\$ 1,053,093	\$ 983,100	\$ 25,991,806
Timing of revenue recognition					
Revenue recognized at a point in time	\$ 6,548,890	\$ 2,471,766	\$ 1,053,093	\$ 571,246	\$ 10,644,995
Revenue recognized over time	14,927,258	7,699	-	411,854	15,346,811
	\$ 21,476,148	\$ 2,479,465	\$ 1,053,093	\$ 983,100	\$ 25,991,806

<u>2020</u>	<u>Taiwan</u>				<u>China</u>	<u>Total</u>
	<u>Construction business</u>	<u>Building materials business</u>	<u>Hypermarket business</u>	<u>Other operations</u>	<u>Construction business</u>	
Departmental revenue	\$ 16,074,455	\$ 2,459,579	\$ 1,054,565	\$ 1,239,596	\$ 18,499	\$ 20,846,691
Revenue from internal department transactions	(2,679,986)	(159,886)	-	(185,737)	-	(3,025,609)
Revenue from contracts of Income	<u>\$ 13,394,469</u>	<u>\$ 2,299,690</u>	<u>\$ 1,054,565</u>	<u>\$ 1,053,859</u>	<u>\$ 18,499</u>	<u>\$ 17,821,082</u>
Timing of revenue recognition						
Revenues recognized at a certain point	\$3,620,107	\$ 2,272,726	\$ 1,054,565	\$ 639,669	\$ -	\$7,587,067
Revenues recognized at a certain point	<u>9,774,362</u>	<u>26,964</u>	<u>-</u>	<u>414,190</u>	<u>18,499</u>	<u>10,234,015</u>
	<u>\$ 13,394,469</u>	<u>\$ 2,299,690</u>	<u>\$ 1,054,565</u>	<u>\$ 1,053,859</u>	<u>\$ 18,499</u>	<u>\$ 17,821,082</u>

2. As of December 31, 2021, for the signed construction contracts, the aggregated amounts of the transaction amount allocated to the unsatisfied contract performance, and the estimated recognition years are as the followings:

<u>Year</u>	<u>Year of the estimated recognized revenues</u>	<u>Amounts of the signed contracts</u>
2021	2022 to 2026	<u>\$ 17,747,937</u>
2020	2021 to 2024	<u>\$ 12,373,103</u>

3. Contract assets and liabilities (related parties included)

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>Six months ended</u>
Contract asset:			
Contract asset			
- reserves of constructions	\$ 1,015,749	\$ 631,656	\$ 437,750
Contract asset - Construction contract	<u>2,008,581</u>	<u>1,808,890</u>	<u>837,974</u>
Total	<u>\$ 3,024,330</u>	<u>\$ 2,440,546</u>	<u>\$ 1,275,724</u>
Contract liability:			
Contract liability - Construction contract	\$ 994,411	\$ 554,003	\$ 361,296
Contract liability - Contract for service	-	390	22,396
Contract liabilities			
- contracts of building material sales	35,210	28,186	15,634
Contract liabilities			
- contracts of real estate sales	2,368,197	1,991,697	772,082
Contract liabilities			
- contracts of good sales	<u>2,493</u>	<u>2,193</u>	<u>1,529</u>
Total	<u>\$ 3,400,311</u>	<u>\$ 2,576,469</u>	<u>\$ 1,172,937</u>

4. Contract assets and contract liabilities related to aforementioned contracts recognized as of December 31, 2021 and 2020, and as of January 1, 2020:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>Six months ended</u>
Incurring total costs and recognized earnings (deducting the recognized losses)	\$ 21,413,755	\$ 16,010,496	\$ 13,519,607
Less: Amount requested for progress of works	(20,399,585)	(14,755,609)	(13,042,929)
Net assets and liabilities of contracts in progress	<u>\$ 1,014,170</u>	<u>\$ 1,254,887</u>	<u>\$ 476,678</u>
Listed as:			
Contract asset - Construction contract	\$ 2,008,581	\$ 1,808,890	\$ 837,974
Contract liability - Construction contract	(994,411)	(554,003)	(361,296)
	<u>\$ 1,014,170</u>	<u>\$ 1,254,887</u>	<u>\$ 476,678</u>

(28) Operation Cost

	<u>2021</u>	<u>2020</u>
Costs of clients' contracts		
Cost of construction contract	\$ 11,971,114	\$ 8,174,965
Cost of sales of real estate	5,175,044	2,766,817
Cost of sales of goods	3,233,822	3,025,459
Cost of contract for service	197,039	226,846
Costs of booths	234,955	219,813
Other costs from contracts	9,218	8,589
Subtotal	<u>20,821,192</u>	<u>14,422,489</u>
Lease costs:		
Lease cost - real estate properties	722,455	701,143
Lease cost - proprietary booths	<u>20,288</u>	<u>21,388</u>
Subtotal	<u>742,743</u>	<u>722,531</u>
Total	<u>\$ 21,563,935</u>	<u>\$ 15,145,020</u>

(29) Interest revenue

	<u>2021</u>	<u>2020</u>
Interest on cash in banks	\$ 15,518	\$ 38,391
Imputed interest for deposit	38	1,474
Interest income from the financial assets measured at amortized costs	20,299	19,730
Other interest income	<u>2,941</u>	<u>3,450</u>
	<u>\$ 38,796</u>	<u>\$ 63,045</u>

(30) Other income

	2021	2020
Gain on variable lease payments (Note)	\$ 47,846	\$ 24,506
Dividend income	48,967	128,297
Other income	141,698	138,724
	<u>\$ 238,511</u>	<u>\$ 291,527</u>

Note: Please refer to Note 6(10)11 for other income recognized in the years 2021 and 2020 as a result of rent concessions.

(31) Other gains and losses

	2021	2020
Loss on liquidation of subsidiary (Note)	(\$ 24,618)	\$ -
Gain (loss) on disposal of property, plant and equipment	(3,979)	19,303
Gain on disposal of non-current assets held for sale	18,315	27,584
Net foreign exchange loss	(75,160)	(117,378)
Gains on reversal of financial assets impairment loss	-	1,105
Gains on lease modifications	-	23
Gains on Financial assets at fair value through profit or loss	12,018	3,564
Impairment loss on use-of-right assets	(216)	(1,543)
Impairment loss on investment properties	(717)	(1,656)
Impairment loss on property, plant and equipment	(66,151)	-
Impairment loss on intangible assets	(73,212)	-
Others	(57,947)	(52,741)
	<u>(\$ 271,667)</u>	<u>(\$ 121,739)</u>

Note: When Runzhu Architecture and Engineering was liquidated on September 14, 2021, Ruentex Engineering & Construction reclassified the exchange differences arising on the translation of the financial statements of foreign operations to the realized exchange loss.

(32) Financial costs

	2021	2020
Interest expense:		
Bank loan and short-term notes and bills	\$ 458,150	\$ 536,108
Lease liabilities	257,569	258,185
Amount of assets eligible for capitalization		
Inventories	(101,069)	(92,674)
Property, plant, and equipment	(1,536)	(3,507)
	<u>\$ 613,114</u>	<u>\$ 698,112</u>

(33) Additional information of expenses by nature

	<u>2021</u>	<u>2020</u>
Changes in merchandise inventory	\$ 8,334,736	\$ 5,687,973
Raw materials purchased and contract work for current period	9,577,867	6,264,372
Employee benefit expense	2,815,397	2,367,632
Depreciation expenses for real estate properties, plants, equipment	334,817	271,477
Depreciation expenses for investment properties	480,078	492,914
Depreciation expenses for right-of-use assets	249,898	221,050
Amortization expense	12,615	12,248
Tax expense	448,148	441,215
Advertisement expense	208,652	164,770
Rent expenses - short term lease	73,295	48,469
Rent expenses - variable lease	727	445
Expected credit impairment (incomes) losses	(295)	1,574
Other expense	<u>1,161,099</u>	<u>1,025,443</u>
Operating costs and expenses	<u>\$ 23,697,034</u>	<u>\$ 16,999,582</u>

(34) Employee benefit expense

	<u>2021</u>	<u>2020</u>
Wages and salaries	\$ 2,331,239	\$ 1,976,361
Employee stock option expenses	37,079	-
Labor and Health Insurance costs	183,707	153,298
Pension expense	84,625	77,057
Directors' Remuneration	56,887	49,613
Other employment fees	<u>121,860</u>	<u>111,303</u>
	<u>\$ 2,815,397</u>	<u>\$ 2,367,632</u>

1. In accordance with the Articles of Incorporation of the Company, when the Company has a profit in a fiscal year, 0.3% to 5% of such profit shall be distributed as the employees' compensation; however, when the Company still has accumulated losses, amount still be reserved in advance to make up the losses. The remuneration to employees as stated in the preceding paragraph can be paid in cash or with stock dividends, and the object of distribution must include employees of the subordinate company that meet certain conditions.
2. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at NT\$48,496 and NT\$29,201, respectively. The aforementioned amounts were recognized in salary expenses.
The employees' compensation was estimated and accrued based on 0.3% of distributable profit of Current year for the year ended December 31, 2021. The employees' compensation resolved by the board of directors was NT\$48,496, which

will be distributed in the form of cash.

Employees' compensation of 2020 as resolved by the board of directors was in agreement with the amount of NT\$29,201 recognized in the 2020 financial statements. The aforementioned employees' compensation was distributed in the form of cash.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the board of directors and the shareholders at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(35) Income tax

1. Income tax expense:

(1) Components of Income tax expense:

	2021	2020
Current income tax:		
Income tax occurred in the current period	\$ 1,002,769	\$ 361,158
Land value increment tax	75,358	85,972
Extra imposed on undistributed earnings	4,432	1,083,486
Overestimation on income tax for prior years	(18,860)	(24,916)
Total income tax for current period	<u>1,063,699</u>	<u>1,505,700</u>
Deferred income tax:		
Origination and reversal of temporary differences	(520,193)	3,334
Tax loss	(69,520)	(5,964)
Total deferred income tax	<u>(589,713)</u>	<u>(2,630)</u>
Income tax expense	<u>\$ 473,986</u>	<u>\$ 1,503,070</u>

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

	2021	2020
Changes in unrealized valuation profit or loss - group	(\$ 71,785)	\$ 932
Changes in unrealized valuation profit or loss - non-controlling interest	(1,278)	37
Differences on translation of foreign operations - group	31,505	69,693
Differences on translation of foreign operations - non-controlling interest	(2,591)	(338)
Portion of other comprehensive income from the associates	264,806	(127,700)
Remeasurements of defined benefit obligation - group	(2,456)	1,767
Remeasurements of defined benefit obligation - non-controlling interest	(1,806)	1,061
	<u>\$ 216,395</u>	<u>(\$ 54,548)</u>

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

	<u>2021</u>	<u>2020</u>
Capital surplus	(\$ 884)	(\$ 711)
2. Reconciliation between income tax expense and accounting profit		
	<u>2021</u>	<u>2020</u>
Imputed income taxes on pretax income at statutory tax rate	\$ 3,913,260	\$ 2,305,754
Expenses to be excluded as stipulated in the tax law	16,257	33,963
Income with exemption from tax as stipulated in the tax law	(3,488,733)	(2,078,025)
Tax loss on unrecognized deferred income tax assets	2,416	115,681
Temporary differences on unrealized deferred income tax assets (liabilities)	(1,000)	872
Income tax effects of investment tax credits	-	(3,288)
Changes in realizability evaluation on deferred income tax assets	(29,144)	(16,429)
Income tax imposed on undistributed earnings	4,432	1,083,486
Land value increment tax	75,358	85,972
Overestimation on income tax for prior years	(18,860)	(24,916)
Income tax expense	<u>\$ 473,986</u>	<u>\$ 1,503,070</u>

3. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax loss are as follows:

	2021				
	January 1	Recognized in profit and loss	Recognized in other comprehensive income	Recognized in equity	December 31
Deferred income tax assets:					
- Temporary differences:					
Loss for market price decline and obsolete and slow-moving inventories	\$ 2,164	\$ 790	\$ -	\$ -	\$ 2,954
Pension exceeding the limits	10,957	(3,322)	-	-	7,635
Deferred promotion expenses	37,973	7,209	-	-	45,182
Unrealized foreign exchange losses	1,401	2,187	-	-	3,588
Unrealized gross profit from sales	20,214	1,855	-	-	22,069
Allowance for bad debt exceeding the limits	-	29	-	-	29
Warranty provision	17,865	3,281	-	-	21,146
Valuation income and loss	315	-	-	-	315
Unrealized impairment loss	-	27,872	-	-	27,872
Domestic investment loss	68,659	(36,146)	-	-	32,513
Unrealized sales discounts	1,957	(335)	-	-	1,622
Unrealized valuation profit or loss changes	2,035	-	(2,035)	-	-
Differences on translation of foreign operations	80,618	-	28,914	-	109,532
Re-measurements of defined benefit obligation	31,585	-	(4,262)	-	27,323
- Tax loss	20,403	69,520	-	-	89,923
Subtotal	296,146	72,940	22,617	-	391,703
Deferred income tax liability:					
- Temporary differences:					
Foreign investment gain	(1,242,749)	516,238	-	-	(726,511)
Unrealized foreign exchange gains	-	-	-	-	-
Allowance for bad debt exceeding the limits	-	-	-	-	-
Commissions expense timing Difference	(2,592)	535	-	-	(2,057)
Portion of other comprehensive income from the associates	(375,428)	-	264,806	-	(110,622)
Unrealized valuation profit or loss changes	-	-	(71,028)	-	(71,028)
Differences on translation of foreign operations	-	-	-	-	-
Capital surplus	(53,524)	-	-	(884)	(54,408)
Subtotal	(1,674,293)	516,773	193,778	(884)	(964,626)
Total	<u>(\$1,378,147)</u>	<u>\$ 589,713</u>	<u>\$ 216,395</u>	<u>(\$ 884)</u>	<u>(\$ 572,923)</u>

	2020				
	January 1	Recognized in profit and loss	Recognized in other comprehensive income	Recognized in equity	December 31
Deferred income tax assets:					
- Temporary differences:					
Loss for market price decline and obsolete and slow-moving inventories	\$ 10,804	(\$ 8,640)	\$ -	\$ -	\$ 2,164
Pension exceeding the limits	10,670	287	-	-	10,957
Deferred promotion expenses	16,594	21,379	-	-	37,973
Unrealized foreign exchange losses	-	1,401	-	-	1,401
Unrealized gross profit from sales	8,120	12,094	-	-	20,214
Warranty provision	18,411	(546)	-	-	17,865
Valuation income and loss	315	-	-	-	315
Domestic investment loss	63,124	5,535	-	-	68,659
Unrealized sales discounts	1,646	311	-	-	1,957
IFRS 16 book-tax difference	22,510	(22,510)	-	-	-
Unrealized valuation profit or loss changes	1,066	-	969	-	2,035
Differences on translation of foreign operations	11,263	-	69,355	-	80,618
Re-measurements of defined benefit obligation	28,757	-	2,828	-	31,585
Tax loss	14,439	5,964	-	-	20,403
Subtotal	207,719	15,275	73,152	-	296,146
Deferred income tax liability:					
- Temporary differences:					
Foreign investment gain	(1,229,415)	(13,334)	-	-	(1,242,749)
Unrealized foreign exchange gains	(143)	143	-	-	-
Allowance for bad debt exceeding the limits	(10)	10	-	-	-
Commissions expense timing Difference	(3,128)	536	-	-	(2,592)
Construction contracts	-	-	-	-	-
Portion of other comprehensive income from the associates	(247,728)	-	(127,700)	-	(375,428)
Capital surplus	(52,813)	-	-	(711)	(53,524)
Subtotal	(1,533,237)	(12,645)	(127,700)	(711)	(1,674,293)
Total	(\$1,325,518)	\$ 2,630	(\$ 54,548)	(\$ 711)	(\$1,378,147)

4. Expiration dates of loss carryforward and amounts of unrecognized deferred tax assets are as follows:

December 31, 2021

Year of occurrence	Declared/ Verified	Amount not deducted	Non-recognized amount of deferred income tax assets	The final year in which the tax deduction is applied
2012	\$ 10,625	\$ 9,950	\$ 9,950	2022
2013	8,802	8,802	8,802	2023
2014	10,798	10,798	9,308	2024
2015	7,859	7,480	7,480	2025
2016	55,665	40,559	17,003	2026
2017	59,525	44,380	4,151	2027
2018	127,832	115,981	1,434	2028
2019	94,688	69,969	3,645	2029
2020	138,972	108,954	10,599	2030
2021	<u>117,195</u>	<u>117,195</u>	<u>12,082</u>	2031
	<u>\$ 631,961</u>	<u>\$ 534,068</u>	<u>\$ 84,454</u>	

December 31, 2020

Year of occurrence	Declared/ Verified	Amount not deducted	Non-recognized amount of deferred income tax assets	The final year in which the tax deduction is applied
2011	\$ 10,409	\$ 10,409	\$ 10,409	2021
2012	10,625	10,378	9,950	2022
2013	8,802	8,802	8,802	2023
2014	10,798	10,798	10,798	2024
2015	7,859	7,859	7,480	2025
2016	55,665	53,258	32,847	2026
2017	59,525	57,849	44,380	2027
2018	127,832	127,832	115,981	2028
2019	94,774	94,774	69,115	2029
2020	<u>192,805</u>	<u>192,805</u>	<u>162,787</u>	2030
	<u>\$ 579,094</u>	<u>\$ 574,764</u>	<u>\$ 472,549</u>	

5. The cumulative amounts of temporary difference unrecognized as deferred tax liabilities:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Deductible temporary differences	\$ 426,703	\$ 383,135

6. The Company's income tax returns through 2019 have been assessed as approved by the Tax Authority.

(36) Non-controlling Interest

1. Changes in non-controlling interest:

	<u>2021</u>	<u>2020</u>
January 1	\$ 4,721,021	\$ 4,499,463
Decrease in the acquired cash dividends	(637,706)	(455,929)
Net income of current period	1,248,142	717,741
Cash capital increase by subsidiary	151,061	-
Change in ownership interests in subsidiaries	26,554	-
Differences on translation of foreign operations	12,846	2,820
Changes in unrealized valuation profit or loss	717,115	(38,633)
Re-measurements of defined benefit plan	9,160	(5,201)
Tax amount:		
- Differences on translation of foreign operations	(2,591)	(338)
- Changes in unrealized valuation profit or loss	(1,278)	37
- Remeasurements of defined benefit obligation	(1,806)	1,061
December 31	<u>\$ 6,242,518</u>	<u>\$ 4,721,021</u>

2. Ruentex Interior Design, a third-tier subsidiary of the Group, conducted capital increase in cash by issuing new shares on September 14, 2021. The Group did not subscribe in proportion to the shareholding, which resulted in a decrease in the combined shareholding of Ruentex Design from 26.17% to 23.78%. Please refer to Note 4(3) for details. The effects of changes in Ruentex Design's equity in 2021 on the equity attributable to the owners of parent are as follows:

	<u>2021</u>
Cash	\$ 143,061
Share-based payment	37,079
Increase in the carrying amount of non-controlling interests	(169,615)
	<u>\$ 10,525</u>
Recognized in:	
Capital surplus - changes in ownership interests in subsidiaries	<u>\$ 10,525</u>

(37) Earnings per share

	2021		
	After-tax amount	Retroactively adjusted number of shares outstanding (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	<u>\$16,242,546</u>	<u>2,036,667</u>	<u>\$ 7.98</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$16,242,546	2,036,667	
Impact of potential diluted common shares			
Remuneration to employee	<u>-</u>	<u>909</u>	
Net income attributable to ordinary shareholders of the parent plus the effects on the common shares	<u>\$16,242,546</u>	<u>2,037,576</u>	<u>\$ 7.97</u>
	2020		
	After-tax amount	Retroactively adjusted number of shares outstanding (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	<u>\$ 8,557,651</u>	<u>2,036,667</u>	<u>\$ 4.20</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 8,557,651	2,036,667	
Impact of potential diluted common shares			
Remuneration to employee	<u>-</u>	<u>852</u>	
Net income attributable to ordinary shareholders of the parent plus the effects on the common shares	<u>\$ 8,557,651</u>	<u>2,037,519</u>	<u>\$ 4.20</u>

The above retroactive adjustments to the number of shares outstanding have been retroactively adjusted in proportion to the capitalization of retained earnings in 2021.

(38) Cash flow supplementary information

1. Investing activities paid partially by cash

	<u>2021</u>	<u>2020</u>
Purchase of intangible assets	\$ 23,325	\$ 22,339
Add: Other payables at the beginning of the period	<u>-</u>	<u>33</u>
Cash payments for current period	<u>\$ 23,325</u>	<u>\$ 22,372</u>

	<u>2021</u>	<u>2020</u>
Acquisition of financial Assets measured at fair value through other comprehensive income	\$ 203,800	\$ -
Less: Investments payable at the end of the period	<u>(5,857)</u>	<u>-</u>
Cash payments for current period	<u>\$ 197,943</u>	<u>\$ -</u>

2. Investing activities not affecting cash payment:

	<u>2021</u>	<u>2020</u>
Right-of-use assets reclassified to investment properties	\$ 327,806	\$ -
Real estate, plant and equipment transferred to expenses	<u>\$ -</u>	<u>\$ 76</u>
Expenses of intangible asset transfer	<u>\$ -</u>	<u>\$ 543</u>
Prepayments for business facilities reclassified to real estate, plant and equipment	<u>\$ 64,723</u>	<u>\$ 103,957</u>
Prepayments for construction reclassified to property, plant and equipment	<u>\$ -</u>	<u>\$ 97</u>
Financial assets designated at fair value through profit or loss - non-current reclassified as other comprehensive income		
Financial assets at fair value - non-current	<u>\$ 49,280</u>	<u>\$ -</u>
Financial assets at fair value through other comprehensive income - non-current reclassified as financial assets at fair value through other comprehensive income - current	<u>\$ 1,303,338</u>	<u>\$ -</u>

3. Financing activities with no cash flow effects:

	<u>2021</u>	<u>2020</u>
Share dividend	<u>\$ 6,019,524</u>	<u>\$ 5,016,270</u>

(39) Liabilities from financing activities

	2021					
	Short-term borrowings	Short-term bills payable	Guarantee deposits received	Long-term borrowings (including due within one year and one operating cycle)	Lease liabilities (Including due within one year)	Total liabilities from financing activities
January 1	\$2,750,000	\$4,878,621	\$1,302,500	\$ 36,748,602	\$11,080,440	\$56,760,163
Changes of the financing cash flows	(470,000)	250,000	(8,444)	1,770,000	(227,666)	1,313,890
Modifications to leases	-	-	-	-	(745,789)	(745,789)
Newly added lease contracts	-	-	-	-	380,058	380,058
Other non-cash changes	-	(946)	-	2,595	(18,499)	(16,850)
December 31	<u>\$2,280,000</u>	<u>\$ 5,127,675</u>	<u>\$1,294,056</u>	<u>\$ 38,521,197</u>	<u>\$10,468,544</u>	<u>\$57,691,472</u>
<u>2020</u>						
	Short-term borrowings	Short-term bills payable	Guarantee deposits received	Long-term borrowings (including due within one year and one operating cycle)	Lease liabilities (Including due within one year)	Total liabilities from financing activities
	Short-term borrowings	Short-term bills payable	Guarantee deposits received	Long-term borrowings (including due within one year and one operating cycle)	Lease liabilities (Including due within one year)	Total liabilities from financing activities
January 1	\$3,323,000	\$3,038,126	\$1,307,242	\$ 39,501,546	\$10,439,426	\$57,609,340
Changes of the financing cash flows	(573,000)	1,840,000	(4,742)	(2,753,000)	(200,261)	(1,691,003)
Modifications to leases	-	-	-	-	55,660	55,660
Newly added lease contracts	-	-	-	-	785,640	785,640
Other non-cash changes	-	495	-	56	(25)	526
December 31	<u>\$2,750,000</u>	<u>\$ 4,878,621</u>	<u>\$1,302,500</u>	<u>\$ 36,748,602</u>	<u>\$11,080,440</u>	<u>\$56,760,163</u>

7. Transaction with Related Parties

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Ruentex Industries Ltd. (Ruentex Industries)	Associate (the investment company which accounts for the Company using the equity method)
Kompass Global Sourcing Solutions Ltd.	Associate (investee's subsidiary that measures the Company using the equity method)
Shing Yen Construction & Development Co., Ltd.	Associate (the investee company accounted for under the equity method by the Company)
Beijing Ruentex Environmental Technology Corp (Beijing Ruentex).	Associate (the third-tier subsidiary of the investee company accounted for under the equity method by the Company)
Nan Shan Life Insurance Co., Ltd. (Nan Shan Life Insurance)	Associate (the investee company accounted for under the equity method by the Company)
Nan Shan General Insurance Co., Ltd.	Associate (the subsidiary of the investee company accounted for under the equity method by the Company)
RT-Mart International Co., Ltd. (RT-Mart)	Other related party (the Company is a juridical person supervisor of the company)
OBI Pharma, Inc.	Other related party (the Company's subsidiaries' representative of juridical person director is the representative of the juridical person director of the company)
Shu-Tien Urology and Ophthalmology Clinic	Other related party (juridical person director of the Company's associates)
Amaran Biotechnology Inc.	Other related party (one of the juridical person director of the Company's subsidiaries is a controlled company of the company)
Ruentex Construction Co., Ltd.	Other related party (the Group's management is the representative of the juridical person director of the company)
Ruentex Dyeing and Textile Co., Ltd.	Other related party (the Group's management is the representative of the juridical person director of the company)
Yi Tai Investment Co., Ltd.	Other related party (the Group's management is the representative of the juridical person director of the company)
Huei Hong Investment Co., Ltd.	Other related party (the Company's management personnel is the representative of the juridical person director of the company)
Ren Ying Industrial Co., Ltd.	Other related party (its chairperson is the relative of the representative of the juridical person director of the Company)
Penglin Investment Co., Ltd.	Other related party (its director is the representative of the juridical person director of the Company)
Samuel Yen-Liang Yin	Other related party (relative of the representative of the juridical person director of the Company)
Lin, Yu-Sheng	Other related party (the Company's subsidiary's key management personnel)
Wu , Jia-Ru	Other related party (the Company's subsidiary's key management personnel)

<u>Name of the related party</u>	<u>Relationship with the Group</u>
Lai, Ke-You	Other related party (relative of the Company's subsidiary's key management personnel)
Liang, Tien-Yi	Other related party (the Company's associate's key management personnel)
Chang, Kai-Hsiang	Other related party (relative of the Group's key management personnel)
Chien, Chieh-Ni	Other related party (relative of the Group's key management personnel)
Jean, Tsang-Jiunn	The Company's key management personnel
Lee, Chih-Hung (Notes 1 and 2)	The Company's key management personnel
Chen, Po-Yu	The Company's key management personnel
Lai, Shih-Hsun (Note 1)	The Group's key management personnel
Hsu, Jin-Qian	The Group's key management personnel
Mo Wei-Han (Note 2)	The Group's key management personnel
Chen, Xue-Xian (Note 3)	The Group's key management personnel
Chiu, Hui-Sheng (Note 3)	The Group's key management personnel
Lu, Yu-Huang	The Group's key management personnel

Note 1: Lee, Chih-Hung has retired and resigned as the chairman of the subsidiary, Ruentex Engineering & Construction, on July 31, 2021. Lee, Chih-Hung has been elected by the Board of Directors as the chairman since August 1, 2021.

Note 2: Lee, Chih-Hung resigned as the chairman of sub-subsidiary, Ruentex Material, on October 5, 2021, and Mo, Wei-Han was elected by the Board of Directors as the chairman of Ruentex Material.

Note 3: Chiu, Hui-Sheng resigned from a position at sub-subsidiary, Ruentex Material, on October 5, 2021, and Chen, Xue-Xian was appointed by the Board of Directors as the president of Ruentex Material.

(2) Significant related party transactions and balances

1. Operating revenue

	<u>2021</u>	<u>2020</u>
Sales revenue:		
- Other related parties	\$ 121	\$ 3,460
- Key management personnel	47,149	-
Revenues from booths:		
- Associates	1,436	1,068
Contract of construction:		
- Other related parties	227,893	254,948
Sales of Services:		
- Other related parties	10,540	9,223
- Associates	2,272	3,615
Rental income:		
- Other related parties	12,480	12,480
	<u>\$ 301,891</u>	<u>\$ 284,794</u>

- (1) The Group sold houses and lands to related parties, and the transaction prices were determined based on the negotiation between both parties. In addition, payments were collected according to the contract schedule signed by both parties. The transaction terms had no major difference from general non-related parties. The aforementioned transactions had been completed and the ownership of houses had been transferred. In addition, payments were collected according to the contract schedule signed by both parties.
- (2) The Group sells products to related parties based on price negotiated between two parties and collects payments according to the payment term specified in the contract.
- (3) The Group's subsidiaries sub-contract projects with related parties based on price negotiated between two parties and collects payments according to the progress of construction and the payment term specified in the contract.
- (4) The Group enters into a service contract with related parties based on price negotiated between two parties and collects the payment according to the schedule agreed in the contract.
- (5) The Group leases the Nangang Railway Station Building in form of operating lease, and the lease price was negotiated by both parties and collected based on schedule agreed in the contract. The lease period is from 2015 to 2025. The future minimum lease receivable for the irrevocable contract above is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Less than one years	\$ 13,686	\$ 12,866
More than one year but less than five years	<u>44,396</u>	<u>58,081</u>
	<u>\$ 58,082</u>	<u>\$ 70,947</u>

- (6) The Company pre-sells premises to related parties, and the total sales and advance sale receipt (recognized in contract liabilities-current) are as follows:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	Total contract amount	Advance real estate receipts	Total contract amount	Advance real estate receipts
Other related parties	\$ 88,140	\$ 14,610	\$ 61,980	\$ 8,470
Key management personnel	-	-	<u>48,090</u>	<u>8,670</u>
	<u>\$ 88,140</u>	<u>\$ 14,610</u>	<u>\$ 110,070</u>	<u>\$ 17,140</u>

- (7) On December 28, 2021, the Company's Board of Directors approved to dispose of a unit on the 11th floor of building A1 and 7 parking spaces at Botanic Garden Villa, Zhongzheng District, Taipei City, to other related parties. The total contract price was NT\$816,313 (tax excluded). As of March 15, 2022, the payment has been paid in full, and the ownership transfer registration was completed on January 20, 2022.
- (8) On December 28, 2021, the Company's Board of Directors approved to dispose of a unit on the 23rd floor of building A6 and 2 parking spaces at Ruentex Fuyang, Xinhai Section, Daan District, Taipei City, to other related parties. The total contract price was

NT\$43,581 (tax excluded). As of March 15, 2022, an amount of NT\$5,080 has been paid, and the ownership transfer registration procedures have not yet been completed.

2. Purchases of goods

	<u>2021</u>	<u>2020</u>
Procurement of goods:		
—Other related parties (Note)	<u>\$ 386,346</u>	<u>\$ 313,321</u>

Note: This represents the purchase of merchandise inventory from RT-Mart.

- (1) The Group pays its related parties with the promissory notes due within 1~2 months.
- (2) The Group and its related parties enter into the commissioned procurement contract, and the cost of goods are based on the price that related parties paid for such goods. The payment is made 1~2 months after related parties received the payment notice from their suppliers.
- (3) The Group commissions its related parties for construction projects at the price negotiated between both parties.
- (4) The construction contracts entered into by the Group and its related parties, uncompleted construction-in-progress contracts, and payment amounts are as follows:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	Total contract amount (Tax excluded)	Amount paid	Total contract amount (Tax excluded)	Amount paid
Other related parties	<u>\$ 18,114</u>	<u>\$ 3,351</u>	<u>\$ 18,114</u>	<u>\$ 3,351</u>

3. Construction contracting and advance Construction Receipts

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	Total contract amount (Tax excluded)	Amount of claim based on the progress of works	Total contract amount (Tax excluded)	Amount of claim based on the progress of works
Other related parties	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 486,749</u>	<u>\$ 276,250</u>

4. Interest revenue

	<u>2021</u>	<u>2020</u>
Interest income from the financial assets measured at amortized costs:		
Nan Shan Life Insurance	<u>\$ 19,600</u>	<u>\$ 19,600</u>

5. Receivables from related parties

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable:		
Other related parties	<u>\$ -</u>	<u>\$ 40,931</u>

Accounts receivable:

Other related parties	\$	429	\$	3,741
Associates		116		395
	\$	545	\$	4,136

Other receivables (Note 1):

Nan Shan Life Insurance	\$	10,132		10,131
Associates		41		66
Other related parties		2,971		2,297
	\$	13,144	\$	12,494

Contract assets (Note 2):

Other related parties	\$	-	\$	8,591
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Note 1: mainly refer to interest receivable and vouchers receivable.

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

6. Payables to related parties

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
Notes payable:				
RT-Mart	\$	58,352	\$	29,248
Associates (Note)		2,847		1,951
	\$	61,199	\$	31,199
Accounts payable:				
RT-Mart	\$	14,396	\$	15,648
Associates (Note)		491		1,611
	\$	14,887	\$	17,259

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

7. Authorized operation contracts of Hypermarket Business Department

(1) The Company and other related party signed an authorized operation contract and an entrusted management and purchase agreement for the Zhonglun Hypermarket in August 2004 in order to allow other related party to provide relevant services for the establishment, operation and maintenance of the hypermarket, and the contract contents are summarized in the following:

A. Term of contract: Original contract was from August 2004 to December 2009, and both parties had agreed to extend for 10 years.

B. Purchase and management service remuneration: According to the following calculation method, for the retail store earnings of the sales location remuneration (excluding the financial income amount and the remuneration payable), the earnings remuneration payable was calculated:

a. If the sales location operating result generates a profit, then 50% of the earnings of the store and the food court shall be paid to the other party as earnings remuneration respectively. However, if the sales location operating result indicates a loss, the other party is not obligated to bear any loss.

b. In addition, a fixed service fee of NT\$ 500 is paid annually.

C. Restrictive provisions:

During the term of the contract, where the Company plans to sell, lease or dispose the asset or operation of the hypermarket in other method, it shall be sold, leased or transferred to the other party in written proposal according to the price agreed in priority. If the other party fails to inform the Company its willingness to accept the offer within 60 days after the receipt of the proposal, then the Company may then lease, sell or dispose the asset or operation of the store in other methods to a third party.

- (2) The parties have entered into an agreement in December 2019 to extend the term of the original contract and to amend the remuneration, which is summarized as follows:

A. Contract Duration: Both parties have agreed to extend for ten years; and the agreement was entered in December 2019 for extension up to December 2024.

B. Remuneration for procurement and management services: The management service fee, remuneration for procurement services and management service fee for the operation of the food court under the original contract are calculated based on 1% of the total monthly revenue before tax of the Zhonglun Store (excluding the food court).

- (3) The premium expenses (including the earning compensation), for the years ended December 31, 2021 and 2020 were NT\$10,303 and NT\$10,331, respectively. As of December 31, 2021 and 2020, the royalties payable (including the earning compensation) (recognized under the notes payable) were NT\$781 and \$783 for the years ended December 31, 2020 and 2019, respectively.

8. Property transactions

- (1) Acquisition of financial Assets

Please refer to Note 6(8)9 for details.

- (2) On July 28, 2020, the Company's board of directors approved the purchase of land in Jianguo Section, Xinzhuang District, New Taipei City from RT-Mart for a total contract price of \$1,720,000, for which full payment has been received. The registration of the transfer was completed on September 26, 2020 and is recognized under Inventory - Construction Land.

- (3) On December 23, 2020, the Company's board of directors approved the purchase of land in Zhongshan Section, Banqiao District, New Taipei City from other related parties for a total contract price of \$2,604, which has been paid in full and is recognized under construction land. The ownership transfer registration was completed on January 12, 2021.

- (4) Disposal of real estate properties, plants and equipment

	2020	
	<u>Disposal proceeds</u>	<u>Gain on disposal</u>
Beijing Ruentex	<u>\$ 37,059</u>	<u>\$ 19,105</u>

On August 20, 2020, the Company's sub-subsidiary, Newzone Fashion Ltd., entered into a contract for the disposal of a building located at Room 402, No. 35, Lane 300, Huaguang Road, Minhang District, Shanghai for a contract price (including tax) of \$37,059 (approximately RMB8,678 thousand), with a gain on disposal of \$19,105

(approximately RMB4,482 thousand). The transfer of ownership was completed in September 2020, and the full amount was received in October 2020.

(5) Proceeds from disposal of non-current assets held for sale

	2020	
	<u>Disposal proceeds</u>	<u>Gain on disposal</u>
Beijing Ruentex	<u>\$ 33,519</u>	<u>\$ 7,822</u>

In October 2020, the Company's sub-subsidiary, Newzone Fashion Ltd., entered into a contract for the disposal of a building located at Room 1304, 13th Floor, No. 62, East 4th Huan Zhong Road, Chaoyang District, Beijing for a contract price (including tax) of \$33,519 (approximately RMB7,829,000) with a gain on disposal of \$7,822 (approximately RMB1,826,000). The transfer of ownership was completed in October 2020, and the full amount was received on December 4, 2020.

9. Lease transactions - lessees/rent expenses

(1) Ruentex Engineering & Construction, the subsidiary of the Company, has leased lands and storages from a related party, and the lease contract is from 2017 to 2022. The lease contracts are negotiated individually, with different terms and conditions. The leased assets are neither to be used as collaterals for loans, nor the rights to be transferred to others in the form of business transfer or merge, among other forms.

(2) In June 2020, the Ruentex Engineering & Construction entered into a land lease agreement with Ruentex Industries; however, the aforesaid lease subject is still in the process of finishing. As of December 31, 2021, the lease subject has not yet been handed over; therefore, the cash payment value of the aforesaid lease based on the term and discount rate is \$561,562. The aforesaid prices were determined with reference to the valuation results from Cushman and Wakefield Real Estate Appraisers.

(3) Rent expenses of short-term lease contracts

	2021	2020
Other related parties	<u>\$ 16,799</u>	<u>\$ 5,652</u>

(4) Lease liabilities

A. Balance at the end of the period

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Total amount of lease liabilities	\$ 21,253	\$ 48,410
Less: parts due within one year (listed as "Lease liabilities-Current")	<u>(21,253)</u>	<u>(29,587)</u>
	<u>\$ -</u>	<u>\$ 18,823</u>

B. Interest Costs:

	2021	2020
Other related parties	<u>\$ 365</u>	<u>\$ 708</u>

10. Endorsements or Guarantees made by related parties

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Key management personnel	<u>\$ 74,068,478</u>	<u>\$ 65,231,706</u>

11. Others

Portion of the land of Ruentex Material is the farming and grazing land. Due to legal restrictions, the Ruentex Material is not entitled to the property right of aforementioned land. Therefore, the property rights of the agricultural land obtained in 2009, 2010, 2015, 2018 and 2020 were registered to the chief management and pledged as collateral to the third-tier subsidiary. The farming and grazing land originally of the Ligang Plant in Pingtung has been changed to transportation land as approved by the competent authority. As of December 31, 2021, the carrying amount of the farming and grazing land of NT\$84,306 was recognized under the “property, plant and equipment.”

(3) Key management compensation information

	<u>2021</u>	<u>2020</u>
Wages and salaries and other short-term employee benefits	\$ 368,406	\$ 332,363
Employee stock option expenses (Note)	15,716	-
Post-employment benefits	5,479	5,467
Termination benefits	<u>18,087</u>	<u>1,466</u>
Total	<u>\$ 407,688</u>	<u>\$ 339,296</u>

Note: Please refer to Note 6(22) for the details of shares retained from the cash capital increase by third-tier subsidiary, Ruentex Design, for employees to subscribe.

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Asset items	Carrying amount		For guarantee purpose
	December 31, 2021	December 31, 2020	
Inventories	\$ 24,140,109	\$ 23,839,815	Long-term/short-term borrowings and Issuance of Commercial Paper
Current other financial assets (listed as other current assets)	1,523,652	1,257,734	Joint construction guarantee deposits and real estate trust receipts in advance
Financial Assets measured at fair value through other comprehensive income -non-current	-	525,008	Short-term borrowings and Issuance of Commercial Paper
Investments accounted for using equity method	29,693,673	22,373,137	Long-term/short-term borrowings and Issuance of Commercial Paper
Right-of-use assets	319,646	656,465	Long-term/short-term borrowings
Non-current other financial assets (listed as other non-current assets)	163,486	132,415	Money Lodged at Courts and Performance Bonds
Property, plant, and equipment	1,922,951	1,959,803	Long-term/short-term borrowings
			Guarantee for long-term borrowings and Advance rent receipts
Investment Real Estate	<u>11,035,264</u>	<u>10,969,568</u>	
	<u>\$ 68,798,781</u>	<u>\$ 61,713,945</u>	

9. Significant contingent liabilities and unrecognized contractual commitments

(1) Contingencies

Other than specified in Note 6(13), other material contingencies are as the following:

Jing-Guan Construction ("Jing-Guan") entered the agreement for transferring rights of joint-construction with the Company on December 6, 1996, to transfer the joint construction at 63 pieces of lands at the Sub-section 2 No. 363 of Muzha Section, Wenshan District, Taipei City. Under the agreement, when certain conditions were met, the Company should pay the transfer premium one by one, for total NT\$31,000. In addition, on the same day, the Company signed a real estate sales contract with Jing-Guan and its legal representative, to buy several properties under the legal representative, and under the agreement, when certain conditions were met, the Company should pay the considerations one by one. Jing-Guan Construction believed that the Company had the actions to make the agreed payment conditions of the agreement for transferring rights of joint-construction and the real estate sales contract fail to be met, and thus sued the Company to claim the unpaid transfer premiums and the interests from the delay. The legal representative of Jing-Guan also sued the Company to claim the

unpaid considerations and the interests from the delay. The Company claimed that Jing-Guan Construction and its legal representative both firstly breached the obligations to be performed in the agreement for transferring rights of joint-construction and the real estate sales contract, and the payment conditions were not met. The right of claim was eliminated due to time. Pursuant to the contracts, the Company has not obliged to pay transfer premiums and considerations. For the above mentioned suit, the Taipei District Court, Taiwan has rejected the allegation of Jing-Guan Construction on April 24, 2019. Jing-Guan disagreed with the judgement, and has appealed to Taiwan High Court before the due date. Up to the date of the report, there was no further information.

(2) Commitments

Except those described in Note 6(8), (10), (11),(19), and 7, other material commitments are as follows:

1. As of December 31, 2021 and 2020, the total amount of the construction contracts entered into by the subsidiaries for the construction contracts were NT\$37,198,539 and NT\$31,678,533, respectively. Amounts of NT\$19,395,490 and NT\$16,507,881 have been paid, respectively, and the remainder will be paid based on the stage of completion.
2. As of December 31, 2021 and 2020, the guarantee bond for the joint development contracts, including the Ruentex Wenhua, Ruentex Awesom, Sanchong Wuwaggu Section, Ruentex Yangbei, Qingtian618, Xinzhuang Gongyuan Road, and Banqiao Xindu Section projects, signed by the Group with landlords, amounted NT\$526,304 and NT\$581,036.
3. The Company signed the MRT Wenhua Line Neihu station “Jiao 11” joint development contract with Taipei City Government to build the building complex with shopping mall and residential, that will consist of 15 stories above and 3 stories below, totaling 274 households in September 2008; the Company also entered into the MRT Xinzhuang Line Sanchong Station Jia 6 office building joint development contract with Taipei City Government in December 2008. Total performance bond amounted \$220,179 was paid with the guarantee bond certificate issued by the domestic bank that is registered with the Ministry of Finance. For the Neihu Station Jiao 11 Joint Development Project, the Company has signed the equity distribution agreement with the Taipei City Government in September 2017, Presently, parts of the public facilities have not been inspected and delivered.
4. As of December 31, 2021 and 2020, subsidiaries’ letter of credit facilities that are issued but unused for procurement amounted USD 211 thousand, and EUR721 thousand (equivalent to NT\$28,422 thousand in total), and USD 447 thousand and EUR 592 thousand (equivalent to NT\$33,462 thousand).
5. Subsidiary and Taoyuan city government entered into the turnkey construction contract for the public rental housing at Taoyuan City Zhongli District Base 1 in July 2018. In September 2018, the subsidiary applied for the special project guarantee facility amounting NT\$1,262,250 with the domestic bank that is registered with the Ministry of Finance, and as of December 31, 2021, the facility drawn was NT\$362,250 in the form of guarantee bond certificate issued by the domestic bank.
6. For the contracting and guarantee for performing constructions, the subsidiaries in May 2019 have applied guarantee facilities in the domestic banks registered with MOF, and have total NT\$400,000 of guarantee notes issued.

10. Significant Disaster Loss

None.

11. Significant subsequent events

Please refer to Notes 6(34) and 7.

12. Others

(1) Presentation of Financial Statements

Some items of the 2020 financial statements were reclassified in order to be comparative to the notes to the 2021 financial statements.

(2) Capital management

The Group's capital management is to ensure its going concern and maintain the best capital structure to reduce capital cost, so as to provide returns to its shareholders. In order to maintain or adjust capital structure, the Group may adjust dividend distribution, return capital to shareholders, issue new shares or dispose assets to optimize the capital structure. The Group manages its capital through liabilities-to-capital ratio that is the ratio of net liabilities over total capital. The net liabilities is equal to total borrowings (including "current and non-current borrowings" on the consolidated financial statements) deducting cash and cash equivalents. Total capital is the "equity" stated on the consolidated balance sheet plus net liabilities.

The Group's strategy for year 2021 is consistent with that of year 2020. The Group's liabilities to capital ratios as of December 31, 2021 and 2020 were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Total borrowings	\$ 45,928,872	\$ 44,377,223
Less: Cash and cash equivalents	<u>(9,162,752)</u>	<u>(4,709,372)</u>
Net debt	36,766,120	39,667,851
Total equity	<u>123,104,552</u>	<u>118,965,351</u>
Total capital	<u>\$ 159,870,672</u>	<u>\$ 158,633,202</u>
Debt-to-total-capital ratio	23.00%	25.01%

(3) Financial instruments

1. Type of financial instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial Assets at fair value through other comprehensive income acquired - current	\$ 1,303,338	\$ -
Financial assets at fair value through profit or loss - non-current	-	37,262
Financial Assets at fair value through other comprehensive income acquired - non-current	4,196,121	3,578,218
Financial Assets at amortized cost		
Cash and cash equivalents	9,162,752	4,709,372
Notes receivable (including related parties)	1,176,984	177,848
Accounts receivable (including related parties)	1,328,048	1,037,985
Other receivables (including related parties)	32,708	36,304
Financial assets measured by amortized cost -current	319,000	-
Financial Assets at amortized cost- non-current	560,000	560,000
Long-term notes and accounts receivable	368,261	426,038
Other financial assets (listed as other current assets and other non-current assets)	1,556,334	1,290,175
Guarantee deposits paid	<u>171,186</u>	<u>145,267</u>
	<u>\$ 20,174,732</u>	<u>\$ 11,998,469</u>

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial liabilities</u>		
Financial liabilities are carried at amortized cost		
Short-term borrowings	\$ 2,280,000	\$ 2,750,000
Short-term bills payable	5,127,675	4,878,621
Notes payable (including related parties)	971,002	890,265
Accounts payable (including related parties)	2,741,129	2,323,981
Other Payables (including expenses payable)	1,267,629	1,039,009
Long-term borrowings (including due within one year or one operating cycle)	38,521,197	36,748,602
Guarantee deposits received(listed as other non-current liabilities)	<u>1,294,056</u>	<u>1,302,500</u>
	<u>\$ 52,202,688</u>	<u>\$ 49,932,978</u>
Lease liabilities - current and non-current	<u>\$ 10,468,544</u>	<u>\$ 11,080,440</u>

2. Risk management policies

- (1) The Group 's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (2) Risk management is carried out by the Group's Finance Department under policies approved by the Board of Directors. Finance Department identified, evaluates and hedges financial risks in close cooperation with the Group's operating units. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3. Significant financial risks and degrees of financial risks

(1) Market risk

Foreign exchange risk

A. The Group holds multiple investments in foreign operations, and net assets of such investments are exposed to foreign exchange risk. Also, the Group's business involves multiple non-functional currencies that may be impacted by changes to foreign exchange rate. Information for foreign-currency-denominated assets and liabilities that may be impacted by foreign exchange risk is as follows:

	December 31, 2021						
				Sensitivity analysis			
	Foreign currency (in thousands of NTD)	Exchange rate	Carrying amount (NTD)	Range of variation	Effects on profit and loss	Effects on other comprehensive income	
<u>Financial assets</u>							
<u>Monetary item</u>							
USD:NTD	\$ 179,265	27.68	\$ 4,962,055	1%	\$ 49,621	\$ -	
<u>Non-monetary Items</u>							
USD:NTD	67,746	27.68	1,875,197	1%	-	18,752	
<u>Financial liabilities</u>							
<u>Monetary item</u>							
USD:NTD	17	27.68	471	1%	5	-	
GBP:NTD	23	37.30	858	1%	9	-	
	December 31, 2020						
				Sensitivity analysis			
	Foreign currency (in thousands of NTD)	Exchange rate	Carrying amount (NTD)	Range of variation	Effects on profit and loss	Effects on other comprehensive income	
<u>Financial assets</u>							
<u>Monetary item</u>							
USD:NTD	\$ 80,881	28.48	\$2,303,491	1%	\$ 23,035	\$ -	
USD:RMB	212	6.5210	6,038	1%	60	-	
<u>Non-monetary Items</u>							
USD:NTD	224,025	28.48	6,380,218	1%	-	63,802	
<u>Financial liabilities</u>							
<u>Monetary item</u>							
USD:NTD	353	28.48	10,053	1%	101	-	

- B. Foreign exchange risk has significant impact on the Group, and the foreign exchange gains or losses (including realized and unrealized) on monetary items recognized were NT\$75,160 and NT\$117,378, for the years ended December 31, 2021 and 2020, respectively.

Price risk

- A. The Group's equity instruments exposed to price risk were the financial assets at fair value through other comprehensive income. In order to manage its equity instruments investment against price risk, the Group diversified its investment portfolio based on the limits set by the Group.
- B. The Group has mostly invested in equity instruments issued by domestic companies, and the prices of such equity instruments would change due to the change of the future value of investee companies. If the prices of these equity instruments had increased/decreased by 1% with all other variables held constant, gains or losses on equity instruments at fair value through other comprehensive income and available-for-sale financial assets for the years ended December 31, 2021 and 2020 would have increased/decreased by NT\$54,995 and NT\$35,782.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risk arises from total borrowings with floating interest rates that expose the Group to cash flow interest rate risk. For the years ended December 31, 2021 and 2020, the Group's borrowings issued at variable rates were mostly denominated in the New Taiwan Dollar.
- B. The Group's borrowings were measured at amortized cost, and the interest rate is reset every year as specified in the contracts. Therefore, the Group is exposed to interest rate risk from any future market interest rate change.
- C. If interest rates on borrowings had been 0.125% higher or lower with all other variables held constant, profit after income tax for the years ended December 31, 2021 and 2020 would have increased/decreased NT\$45,939 and NT\$44,389, respectively, due to change of interest expenses of borrowings at variable interest rate.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or transaction counterparties of financial instruments on the contract obligations. Such risk is mainly due to the counterparties cannot repay the accounts payable according to the payment terms, and contractual cash flows from investments in debt instruments classified as measured at amortized cost and at fair value through profit or loss.
- B. The Group manages its credit risk based on a Group-oriented system. For corresponding banks and financial institutions, the Company set up to only accept transaction counterparties receiving the credit rating of at least Class "A". Following the internal credit policies, before setting the terms and conditions for payments and delivery with a new customer, each entity of the Group should assess new customer's credit risk and conduct credit risk management. The internal risk control considers the financial position, past experience and other factors in order to assess the credit quality of customers. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilization of credit limits is regularly monitored.

- C. The Group uses the presumptions provided by IFRS 9 that a loan that is 90 days past due is credit-impaired.
- D. The Group uses IFRS to provide the following assumptions, to determine if the credit risks of the financial instrument significantly increased since the initial recognition.
- (A) When the contractual payments overdue from the payment terms for more than 30 days, it is deemed the credit risks of the financial instrument significantly increased since the initial recognition.
- (B) Investments in bonds traded in the Over-the-Counter (OTC) with an external rating agency rated as investment grade at the balance sheet date, the asset will be regarded as having low credit risk.
- E. The indicators for determine the impairment of the debt instrument investment used by the Group is as the following:
- (A) The possibilities that an issuer has a significant financial difficulty, or will become bankrupt or financial reorganized;
- (B) Due to the financial difficulty of the issuer, such that the active market of the financial asset vanishes;
- (C) An issuer delay or fail to repay the interests or principals;
- (D) The unfavorable changes to the national or regional economic conditions leading to the default of an issuer.
- F. Receivables are grouped based on customer's types, and the Group applies the simplified approach using loss rate methodology to estimate the expected credit loss.
- G. After the collection procedures, the financial assets amount that cannot be reasonably estimated will be written-off. However, the Group will continue to continue to pursue the legal right of recourse to protect the claims.
- H. The Group used the forecastability of Taiwan Institute of Economic Research report to adjust historical and timely information to assess the default possibility and estimate impairment provisions for accounts receivable (including related parties) and contract assets. As of December 31, 2021 and 2020, the loss rate methodology is as follows:

	<u>Each</u>	<u>Group A</u>	<u>Group B</u>	<u>Total</u>
<u>December 31, 2021</u>				
Expected loss	50%~100%	0.00%~0.03%	0.53%~100%	
Total carrying amount (including related parties)	\$ 442	\$ 4,348,311	\$ 7,749	\$4,356,502
Allowance for losses	262	69	3,793	4,124

	<u>Each</u>	<u>Group A</u>	<u>Group B</u>	<u>Total</u>
<u>December 31, 2020</u>				
Expected loss	50%~100%	0.00%~0.03%	1.46%~100%	
Total carrying amount (including related parties)	\$ 4,550	\$ 3,471,728	\$ 10,765	\$3,487,043
Allowance for losses	4,482	71	3,959	8,512

Group A: Customers who do not have overdue payments

Group B: Customers who have had overdue payments

I. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	<u>2021</u>	<u>2020</u>
	<u>Accounts Receivable</u>	<u>Accounts Receivable</u>
January 1	\$ 8,512	\$ 8,567
Provision of impairment loss	192	1,626
Reversal of impairment loss	(487)	(52)
Write-offs of the period	(4,093)	(1,629)
December 31	<u>\$ 4,124</u>	<u>\$ 8,512</u>

(3) Liquidity risk

- A. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Finance Department. Finance Department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Please refer to Note 6(19) for details of undrawn committed borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.
- B. The Group invests surplus cash from all operating units in interest bearing current accounts, time deposits, and repurchasable bonds, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As of December 31, 2021 and 2020, the Group's position held in money market were NT\$8,306,657 and NT\$4,399,737.
- C. The table below analyses the Group's non-derivative financial liabilities and into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the following table are the contractual undiscounted cash flows:

Non-derivative financial liabilities:

December 31, 2021	<u>Within 1 year</u>	<u>Within 2-5 years</u>	<u>More than 5 years</u>
Short-term borrowings (Note 1)	\$ 2,299,791	\$ -	\$ -
Short-term notes and bills payable (Note 1)	5,130,000	-	-
Notes payable (including related parties)	971,002	-	-
Accounts payable (including related parties)	2,305,049	396,980	39,100
Other payables	1,265,148	2,419	62
Lease liabilities (Note 1)	522,411	1,797,744	14,816,014
Long-term borrowings (including loans due within a year or a business cycle)	5,448,504	32,408,578	1,735,097
Other financial liabilities (Note 2)	3,997	1,090,697	199,362

Non-derivative financial liabilities:

December 31, 2020	<u>Within 1 year</u>	<u>Within 2-5 years</u>	<u>More than 5 years</u>
Short-term borrowings (Note 1)	\$2,773,370	\$ -	\$ -
Short-term notes and bills payable (Note 1)	4,880,000	-	-
Notes payable (including related parties)	890,265	-	-
Accounts payable (including related parties)	1,996,955	272,888	54,138
Other payables	1,036,632	2,329	48
Lease liabilities (Note 1)	470,272	1,754,377	16,302,294
Long-term borrowings (including loans due within a year or a business cycle)	8,903,177	26,089,380	2,984,249
Other financial liabilities (Note 2)	-	1,106,674	195,826

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

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

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

(4) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical Assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. It is included in the fair value of the Group's investments in TWSE-/TPEX-listed stocks and stocks in the emerging stock market and domestic convertible bonds

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

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in private placement of listed stocks and investment in equity instruments without active market is included.

2. Information for the fair value of the Group's investment property measured at cost is provided in Note 6 (12).
3. The carrying amounts of the Group's financial instruments not measured at fair value, including cash and cash equivalents, notes receivable (including related parties), accounts receivable (including related parties), other receivables (including related parties), other financial assets recognized in other current assets and other non-current assets, long-term notes and accounts receivable, short-term borrowings, short-term notes payable, notes payable (including related parties), accounts payable (including related parties), other payables, long-term borrowings, and other financial liabilities recognized in other non-current liabilities, are approximate to their fair values.
4. Classification of financial instruments and non-financial instruments at fair value based on the natures, characteristic and risk, and fair value level is as follows:

December 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial Assets at fair value through other comprehensive income acquired - current	\$ -	\$ -	\$1,303,338	\$1,303,338
Financial Assets at fair value through other comprehensive income acquired - non-current	<u>4,110,944</u>	<u>-</u>	<u>85,177</u>	<u>4,196,121</u>
Total	<u>\$4,110,944</u>	<u>\$ -</u>	<u>\$1,388,515</u>	<u>\$5,499,459</u>

December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss - non-current				
Convertible bonds	\$ 37,262	\$ -	\$ -	\$ 37,262
Financial Assets at fair value through other comprehensive income acquired - non-Current				
Equity securities	<u>2,926,491</u>	<u>-</u>	<u>651,727</u>	<u>3,578,218</u>
Total	<u>\$2,963,753</u>	<u>\$ -</u>	<u>\$ 651,727</u>	<u>\$3,615,480</u>

5. The methods and assumptions the Group used to measure fair value are as follows:

- (1) For the investments on OTC stocks by the Group used market quoted prices as their fair values (i.e. Level 1), which are listed below according to the characteristics of the instruments:

	<u>Shares of TWSE/TPEX listed companies</u>	<u>Shares of the TPEX-listed companies</u>	<u>Convertible bonds</u>
Quoted market price	Closing market prices	The last sales price	Closing market price

- (2) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
- (3) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (4) For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. Such type of valuation model is normally applied to derivative financial instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Note XII(4)10.

- (5) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on Current market conditions.
6. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.
7. The following table shows the change of Level 3 for the years ended December 31, 2021 and 2020.

	2021	2020
	<u>Equity securities</u>	<u>Equity securities and wealth management products</u>
January 1	\$ 651,727	\$ 1,084,028
Transfer to the level 1	-	(428,713)
Income recognized in income and loss		
Account for non-operating income and expenses	-	137
Gain recognized in other comprehensive income accounted for under unrealized valuation gain or loss on equity investments at fair value through other comprehensive income	864,226	219,655
Sales for current period	-	(99,903)
Effects of exchange rate changes	-	(974)
Capital returned due to capital reduction (	127,438)	-
Others (Note)	-	(122,503)
December 31	<u>\$ 1,388,515</u>	<u>\$ 651,727</u>

Note: Cash dividends received from the original paid-in capital are treated as a reduction of the original cost of ownership.

8. Please refer to Notes 6(6)6 and 7 for details of the transfers from Level 3 in 2020.
9. Accounting Department is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

10. The significant non-observable input value quantified information and significant non-observable input value change sensitivity analysis for the valuation model used in relation to the Level 3 fair value measurements are as follows:

	December 31, 2021		Significant unobservable inputs	Discount rate	Inputs and Fair value relationship
	Fair value	Valuation techniques			
Non-derivative Equity Instrument:					
Shares of non-TWSE/TPEX listed companies	\$ 1,303,338	Comparable TWSE/TPEX listed companies	Discount for lack of marketability	16.11%	The higher the marketability discount, the lower the fair value.
Shares of non-TWSE/TPEX listed companies	84,277	Comparable TWSE/TPEX listed companies	Discount for lack of marketability	19.82%	The higher the marketability discount, the lower the fair value.
Shares of non-TWSE/TPEX listed companies	900	Net assets value method	N/A	N/A	N/A
	December 31, 2020		Significant unobservable inputs	Discount rate	Inputs and Fair value relationship
	Fair value	Valuation techniques			
Non-derivative Equity Instrument:					
Shares of non-TWSE/TPEX listed companies	\$ 581,272	Comparable TWSE/TPEX listed companies	Discount for lack of marketability	25.68%	The higher the marketability discount, the lower the fair value.
Shares of non-TWSE/TPEX listed companies	69,555	Comparable TWSE/TPEX listed companies	Discount for lack of marketability	20.27%	The higher the marketability discount, the lower the fair value.
Shares of non-TWSE/TPEX listed companies	900	Net assets value method	N/A	N/A	N/A

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

		2021	
		Recognized as other comprehensive income	
Inputs	Changes	Favorable changes	Adverse changes
Financial assets			
Equity Instrument	Lack of marketability		
	Marketability discount	±1%	\$ 13,885
			(\$ 13,885)

		2020		
		<u>Recognized as other comprehensive income</u>		
	<u>Inputs</u>	<u>Changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>
Financial assets				
Equity Instrument	Lack of marketability			
	Marketability discount	±1%	<u>\$ 6,517</u>	<u>(\$ 6,517)</u>

13. Separately Disclosed Items

(1) Significant transaction information

1. Loans to others: None.
2. Provision of endorsements and guarantees to others: Please refer to Table I.
3. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to Table II.
4. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
5. Acquisition of real estate reaching NT\$ 300 million or 20% of paid-in capital or more: Please refer to Table III.
6. Disposal of real estate reaching NT\$ 300 million or 20% of paid-in capital or more: Please refer to Table IV.
7. Purchases or sales of goods from or to related parties reaching NT\$ 100 million or 20% of paid-in capital or more: Please refer to Table V.
8. Receivables from related parties reaching NT\$ 100 million or 20% of paid-in capital or more: Please refer to Table VI.
9. Trading in derivative instruments undertaken during the reporting periods: None.
10. Significant transactions between the parent to subsidiary and between subsidiary during the reporting periods: Please refer to Table VII.

(2) Information on Investees

Names, locations and other information of investees (not including investees in China): Please refer to Table VIII.

(3) Information on Investments in China

None.

(4) Information on main investors

Information on main investors: Please refer to Table IX.

14. Information on Departments

(1) General information

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

(2) Measurement of segment information

1. The accounting policies of the reportable operating segments is in a manner consistent with the significant accounting policies provided in Note IV.
2. The Group evaluates the performance based on segment revenue and segment net operating profit (loss), instead of the segment assets.

(3) Information on Departments

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

	2021					
	<u>Construction Business Department</u>	<u>Commercial Real Estate</u>	<u>Building Materials Division</u>	<u>Wholesale Business Division</u>	<u>Other operating departments</u>	<u>Total</u>
Revenue from external customers	\$ 21,513,551	\$ 1,798,552	\$ 2,479,465	\$ 1,053,093	\$ 449,223	\$27,293,884
Internal revenue	3,973,534	13,047	150,035	-	194,388	4,331,004
Departmental revenue	<u>\$ 25,487,085</u>	<u>\$ 1,811,599</u>	<u>\$ 2,629,500</u>	<u>\$ 1,053,093</u>	<u>\$ 643,611</u>	<u>\$ 31,24,888</u>
Operating net income (loss) from the department to be reported	<u>\$ 2,994,585</u>	<u>\$ 754,931</u>	<u>(\$ 7,525)</u>	<u>(\$ 38,165)</u>	<u>(\$ 45,997)</u>	<u>\$ 3,657,829</u>
	2020					
	<u>Construction Business Department</u>	<u>Commercial Real Estate</u>	<u>Building Materials Division</u>	<u>Wholesale Business Division</u>	<u>Other operating departments</u>	<u>Total</u>
Revenue from external customers	\$ 13,454,345	\$ 1,803,388	\$ 2,299,690	\$ 1,054,565	\$ 472,601	\$19,084,589
Internal revenue	2,698,303	4,113	159,886	-	181,624	3,043,926
Departmental revenue	<u>\$ 16,152,648</u>	<u>\$ 1,807,501</u>	<u>\$ 2,459,576</u>	<u>\$ 1,054,565</u>	<u>\$ 654,225</u>	<u>\$22,128,515</u>
Operating net income (loss) from the department to be reported	<u>\$ 1,355,441</u>	<u>\$ 761,645</u>	<u>\$ 64,908</u>	<u>(\$ 20,610)</u>	<u>(\$ 30,828)</u>	<u>\$ 2,130,556</u>

(4) Reconciliation for segment income (loss)

1. The sales and leases made the Group's construction business segment and commercial real estate segment are negotiated by the participating parties; sales made by the building material business segment and wholesale segment are handled as regular sales. The revenue from external parties reported to the Chief Operating Decision-Maker are measured in a manner consistent with the revenue in the statements of comprehensive income.
2. Reconciliation for segment income (loss) and profit before income tax from continuing operations for the years ended December 31, 2021 and 2020 is as follows:

	2021	2020
Income/loss from the department to be reported	\$ 3,657,829	\$ 2,130,556
Adjustments and written-off	(60,979)	(45,549)
Total	3,596,850	2,085,007
Interest revenue	38,796	63,045
Net foreign exchange loss	(75,160)	(117,378)
Financial costs	(613,114)	(698,112)
Share of profit of associates accounted for using the equity method	14,975,298	9,158,734
Loss on liquidation of subsidiary	(24,618)	-
Gain (loss) on disposal of property, plant and equipment	(3,979)	19,303
Gains on reversal of financial assets impairment loss	-	1,105
Dividend income	48,967	128,297
Impairment loss on use-of-right assets	(216)	(1,543)
Impairment loss on investment properties	(717)	(1,656)
Impairment loss on property, plant and equipment	(66,151)	-
Impairment loss on intangible assets	(73,212)	-
Gains on lease modifications	-	23
Gain on variable lease payments	47,846	24,506
Others	114,084	117,131
Income before tax from continuing operations	<u>\$ 17,964,674</u>	<u>\$ 10,778,462</u>

(5) Information on products and services

The Group primarily engaged in construction of residential buildings through entrusting professional construction enterprises, lease and sales of commercial buildings, trading of construction materials, sales of related merchandise and operation of supermarkets and shopping malls. The segment revenue above only presents the operating revenue and other income from external customers. The segment revenue does not include the gains from equity investment accounted under equity method and general revenue irrelevant to segments, and please refer to Note 6(27) for detail.

(6) Geographical information

Geographical information for the years ended December 31, 2021 and 2020 is as follows:

	2021		2020	
	Income	Non-current assets	Income	Non-current assets
Taiwan	\$ 27,293,884	\$ 27,476,525	\$ 19,064,937	\$ 28,647,493
China	-	-	18,499	-
Others	-	12,138	1,153	12,678
Total	<u>\$ 27,293,884</u>	<u>\$ 27,488,663</u>	<u>\$ 19,084,589</u>	<u>\$ 28,660,171</u>

The Group's geographical revenue was calculated based on regions in which the payments were received. Non-current assets included property, plant and equipment, right-of-use assets, investment property, intangible assets and other assets, and excluded financial instruments and deferred tax assets.

(7) Major customer information

The details of each customer who accounts for 10% or more of the operating income on the consolidated statement of comprehensive income are as follows:

	2021		2020	
	Income	Segment	Income	Segment
Customer A	\$ 2,972,984	Construction Business Department	\$ 1,060,509	Construction Business Department

Ruentex Development Co., Ltd. and subsidiaries

Endorsements and Guarantees for Others

January 1 to December 31, 2021

Attached Table I

Unit: NTD in Thousands
(Unless Stated Otherwise)

<u>Entity for which the endorsement/guarantee is made</u>														Cumulative amount of endorsements/guarantees as a percentage of the net worth as stated in the latest financial statement	Maximum amount of endorsements/guarantees	Endorsements/guarantees made by the parent for its subsidiaries	Endorsements/guarantees made by the subsidiary company for its parent	Endorsements/guarantees made for the entities in mainland China	Remark
No. 1	Endorsement guarantor Company name	Company name	Relationship (Note 2)	Maximum amount of endorsements/guarantees permitted to any single entity	Maximum balance of endorsements/guarantees for the current period	Balance of endorsements/guarantees at the end of the period	Actual amount drawn	Amount of endorsements/guarantees secured by property	Maximum amount of endorsements/guarantees	Endorsements/guarantees made by the parent for its subsidiaries	Endorsements/guarantees made by the subsidiary company for its parent	Endorsements/guarantees made for the entities in mainland China							
0	Ruentex Development Co., Ltd.	Ruentex Development Co., Ltd.	2	\$ 105,175,831	\$8,880,000	\$6,200,000	\$2,680,000	\$ -	5.31	\$ 116,862,034	Y	N	N	Note 3					
1	Ruentex Engineering & Construction Co., Ltd.	Ruentex Materials Co., Ltd.	1	924,750	31,254	31,254	31,254	-	0.47	1,849,500	Y	N	N	Notes 4					

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

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

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

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

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

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

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

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

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

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

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

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

Note 4: The maximum amount of endorsements/guarantees made by the subsidiary shall not exceed 100% or more of the paid-in capital of the Company and the amount of endorsements/guarantees made by the subsidiary for any single entity shall not exceed 50% or more of the paid-in capital of the Company.

Ruentex Development Co., Ltd. and subsidiaries

Securities held at the end of the period (not including investments in subsidiaries, associates and jointly controlled entities)

December 31, 2021

Attached Table II Unit: NTD in Thousands
(Unless Stated Otherwise)

Company holding the securities	Type and name of the securities (Note 1)	Relationship with the issuer of securities (Note 2)	End of the period					Remark
			Account recognized	Number of shares	Carrying amount (Note 3)	Shareholding percentage	Fair value (Note 4)	
Ruentex Development Co., Ltd.	Shares of TaiMed Biologics	The Company is a juridical person director of the company.	Financial assets at fair value through other comprehensive income - non-current	10,357,408	\$ 731,233	4.11	\$ 731,233	
	Shares of OBI Pharma, Inc.	The Company's subsidiary's representative of juridical person director is the representative of the juridical person director of the subsidiary	"	1,343,630	153,173	0.67	153,173	
	Shares of Brogent Technologies Inc.	The Company's subsidiary's representative of juridical person director is the representative of the juridical person director of the subsidiary	"	2,809,060	345,515	4.90	345,515	
	Shares of RT-Mart International Co., Ltd.	The Company is a juridical person supervisor of the company	Financial Assets at fair value through other comprehensive income acquired - Current	4,085,139	1,303,338	11.33	1,303,338	
	Shares of Pacific Resources Corporation	-	Financial assets at fair value through other comprehensive income - non-current	242,648	-	1.05	-	
	Shares of Asia Pacific Federation of Industry and Commerce	-	"	21,090	900	0.03	900	
	Subordinated debts of Nan Shan Life Insurance	One of the Company's affiliates is a controlled company of the company.	Amortized cost financial Assets - non-Current	-	60,000	-	-	
Ruentex Engineering & Construction Co., Ltd.	Shares of Ruentex Development Co., Ltd.	The company	Financial assets at fair value through other comprehensive income - non-current	7,195,154	459,051	0.34	459,051	
	Shares of Ruentex Industries Ltd.	The investment company which accounts for the Company using the equity method	"	26,197,343	2,554,241	3.57	2,554,241	
	Shares of OBI Pharma, Inc.	The Company's subsidiary's representative of juridical person director is the representative of the juridical person director of the subsidiary	"	234,295	26,710	0.12	26,710	
	Shares of Save & Safe Corporation	-	"	4,267,233	84,277	2.51	84,277	
	Shares of Powertec Electrical Chemicals Corp.	-	"	19,737,629	-	1.39	-	
	Subordinated debts of Nan Shan Life Insurance	One of the Company's affiliates is a controlled company of the company.	Amortized cost financial Assets - non-Current	-	500,000	-	-	
Ruentex Materials Co., Ltd.	Shares of Ruentex Industries Ltd.	The investment company which accounts for the Company using the equity method	Financial assets at fair value through other comprehensive income - non-current	2,100,236	204,773	0.29	204,773	
	Shares of OBI Pharma, Inc.	The Company's subsidiary's representative of juridical person director is the representative of the juridical person director of the subsidiary	"	105,433	12,019	0.05	12,019	
Ruentex Interior Design Inc.	Shares of Ruentex Industries Ltd.	The investment company which accounts for the Company using the equity method	"	854,158	83,280	0.12	83,280	

Note 1: Securities indicated in the Table refer to shares, bonds, beneficiary certificates and securities derived from the items mentioned above within the scope of IFRS No.9.

Note 2: Not required to be filled in for the issuers of securities that are not related parties.

Note 3: Please fill in the value carried at adjusted fair value less accumulated impairment losses for those measured at fair value and the value varied at acquisition cost or amortized cost less accumulated impairment losses for those not measured at fair value.

Note 4: The securities listed that are limited to their use due to the provision of security, pledge loans or others in accordance with the contract shall indicate the number of shares provided for guarantee or pledge, the amount of guarantee or pledge and the limits on the use in the in the column of "Remarks".

Ruentex Development Co., Ltd. and subsidiaries
Acquisition of real estate at costs of at least \$300 million or 20% of the paid-in capital
January 1 to December 31, 2021

Attached Table III

Unit: NTD in Thousands

The company acquiring the real estate	Name of property	Date of occurrence	Transaction amount	Amount paid	Counterparty	Relationship	The last transfer information if the counterparty is a related party				Reference basis for price decision	Purpose of acquisition and conditions of use	Other provisions
							Owner	Relationship With the Seller	Date of transfer	Amount			
Ruentex Materials Co., Ltd.	The construction of the Pingtung Ligang Factory	12.26.2019	\$ 493,351	\$ 493,351	Ruentex Engineering & Construction Co., Ltd.	Subsidiaries	N/A	N/A	N/A	N/A	Negotiated price	Self-use	-

Note 1: When an appraisal is required to be made for the acquisition of assets according to the regulation, the results of the appraisal should be indicated in the column of “reference basis for price decision.”

Note 2: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Note 3: The date of occurrence means the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of a resolution of the Board of Directors or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.

Ruentex Development Co., Ltd. and subsidiaries

Disposal of real estate at costs of at least \$300 million or 20% of the paid-in capital

January 1 to December 31, 2021

Attached Table IV

Unit: NTD in Thousands

<u>The company disposing the real estate</u>	<u>Name of property</u>	<u>Date of occurrence</u>	<u>Original acquisition date</u>	<u>Carrying amount</u>	<u>Transaction amount</u>	<u>Amount received</u>	<u>Gain(loss) on disposal</u>	<u>Counterparty</u>	<u>Relationship</u>	<u>Purpose of disposition</u>	<u>Reference basis for price decision</u>	<u>Other provisions</u>
Ruentex Development Co., Ltd.	One unit of house and land (23rd floor) and one B1 parking space (No. 179) at No. 39, Sec. 4, Civic Blvd., Songshan Dist., Taipei City	2021.01.14	November 28, 2012 and January 2, 2020	\$ 300,737	\$ 336,621	Received in full	\$ 35,884	Non-related parties -		General sales	Appraisal Report of Chen-You Real Estate Appraisers Firm	-
Ruentex Development Co., Ltd.	One unit of house and land on the 2nd floor and a total of 6 parking spaces on the ground floor and the 2nd basement floor at No. 223, Bo'ai Rd., Zhongzheng Dist., Taipei City	2021.05.26	November 20, 2008 and October 4, 2013	251,638	464,629	Received in full	212,991	Non-related parties -		General sales	Appraisal Report of G-Beam Real Estate Appraisers Firm	-
Ruentex Development Co., Ltd.	Two units of house and land (21st floor) and a total of four B1 and B2 parking spaces at No. 39-2 and -3, Sec. 4, Civic Blvd., Songshan Dist., Taipei City	2021.06.24	November 28, 2012 and January 2, 2020	342,096	389,170	Received in full	47,074	Non-related parties -		General sales	Appraisal Report of Chen-You Real Estate Appraisers Firm	-
Ruentex Development Co., Ltd.	Three units of house and land (6th, 8th, and 9th floors) and a total of six B3 parking spaces at No. 39, Sec. 4, Civic Blvd., Songshan Dist., Taipei City	2021.07.05	November 28, 2012 and January 2, 2020	503,773	573,094	Received in full	69,321	Non-related parties -		General sales	Appraisal Report of G-Beam Real Estate Appraisers Firm	-
Ruentex Development Co., Ltd.	One unit of house and land on the 11th floor and a total of seven B1 and B2 parking spaces at No. 221, Bo'ai Rd., Zhongzheng Dist., Taipei City	2021.12.28	November 20, 2008 and October 4, 2013	348,847	816,313	Received in full	467,466	Related parties	Other related parties	General sales	Appraisal Report of G-Beam Real Estate Appraisers Firm	-

Note 1: When an appraisal is required to be made for the disposal of assets according to the regulation, the results of the appraisal should be indicated in the column of "reference basis for price decision".

Note 2: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Note 3: The date of occurrence means the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of a resolution of the Board of Directors or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.

Ruentex Development Co., Ltd. and subsidiaries

Total purchase from or sale to related parties amounting to at least \$100 million or 20% of the paid-in capital

January 1 to December 31, 2021

Attached Table V

Unit: NTD in Thousands

(Unless Stated Otherwise)

The company making the purchase (sale) of goods	Name of counterparty	Relationship	Transaction conditions		As a percentage of total purchases (sales) of goods (Note 4)	Credit period	Difference between the terms and conditions of transaction and the general type of transaction and the reason for any such difference (Note 1)		Notes receivable/payable and accounts receivable/payable		Remark (Note 2)
			Purchase (sale) of goods	Amount			Unit price	Credit period	Balance	As a percentage of notes receivable/payable and accounts receivable/payable (Note 4)	
Ruentex Development Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Subsidiaries	Purchase of goods	\$ 2,556,310	60.42	Amount paid according to the prescribed period of the construction contract	Negotiated price	Amount paid according to the prescribed period of the construction contract	(\$ 78,521)	12.31	
Ruentex Development Co., Ltd.	RT-MART International Co., Ltd.	The Company is a juridical person supervisor of the company	Purchase of goods	386,346	9.11	Amount paid according to the prescribed period of the procurement contract.	-	Amount paid according to the prescribed period of the procurement contract.	(72,748)	11.41	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd.	The company	Sale of goods	2,794,375	15.57	Amount paid according to the prescribed period of the construction contract	Negotiated price	The amount shall be collected in accordance with the term of the construction contract.	78,521	3.89	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd.	Subsidiaries	Sale of goods	807,189	4.50	The amount shall be collected in accordance with the term of the construction contract.	Negotiated price	The amount shall be collected in accordance with the term of the construction contract.	161,821	8.02	
Ruentex Engineering & Construction Co., Ltd.	Ruentex Materials Co., Ltd.	Subsidiaries	Purchase of goods	146,272	1.19	The amount shall be collected in accordance with the term of the construction contract.	Negotiated price	The amount shall be collected in accordance with the term of the construction contract.	25,683	1.04	
Ruentex Materials Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Subsidiaries	Sale of goods	145,445	5.53	Note 5	Negotiated price	Note 5	21,404	4.46	
Ruentex Interior Design Inc.	Ren Ying Industrial	Other related parties	Sale of goods	197,913	21.73	The amount shall be collected in accordance with the term of the construction contract.	Negotiated price	The amount shall be collected in accordance with the term of the construction contract.	-	-	

Note 1: If the terms and conditions of transaction with the related parties are different from the general terms and conditions of transaction, the difference and the reason for any such difference shall be specified in the column of unit price and the credit period.

Note 2: In the case of prepayments in advance (or advance receipts), the reasons, the terms and conditions of the contract, the amount and the difference between the general type of transactions shall be specified in the column of Remarks.

Note 3: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Note 4: Calculate from the perspective of the entity of the company making the purchase (sale) of goods

Note 5: The credit term for sales of goods is 45 days; the credit term for contracted projects is based on the schedule specified in the contracts.

Ruentex Development Co., Ltd. and subsidiaries

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

December 31, 2021

Attached Table VI

Unit: NTD in Thousands

(Unless Stated Otherwise)

The company recognized as receivables	Name of counterparty	Relationship	Balance of accounts receivable due from related parties	Turnover	Overdue accounts receivable due from related parties		Recovered amount in subsequent periods for accounts receivable due from related parties	Provision for allowance for bad debts
					Amount	Approach to handling		
Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd.	Subsidiaries	\$ 161,821	7.92	\$ -	-	\$ 123,344	\$ -

Note 1: Please fill in the value separately according the accounts receivable, notes receivable and other receivables.

Note 2: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Ruentex Development Co., Ltd. and subsidiaries

Business relationships and significant intercompany transactions and amount between a parent and its subsidiary company, or between its subsidiaries

January 1 to December 31, 2021

Attached Table VII

Unit: NTD in Thousands

(Unless Stated Otherwise)

No. (Note 1)	Name of the transaction party	Transaction counterparty	Relationship with the transaction party (Note 2)	Transaction information			As a percentage of the consolidated total operating revenue or total assets (Note 3)
				Account	Amount	Terms and conditions of transaction	
Zero	Ruentex Development Co., Ltd.	Ruentex Development Co., Ltd.	1	Construction income	\$ 22,458	Note 5	0.08
		Ruentex Construction International Co., Ltd.	1	Rental income	18,316	Note 5	0.07
1	Ruentex Interior Design Inc.	Ruentex Development Co., Ltd.	2	Construction income	76,909	Notes 4	0.28
		”	2	Sales revenue	17,534	Note 5	0.06
		”	2	Receivable	18,428	Notes 4	0.01
		Ruentex Development Co., Ltd.	3	Construction income	57,045	Notes 4	0.21
		”	3	Receivable	17,603	Notes 4	0.01
		Ruentex Baiyi Co., Ltd.	3	Construction income	32,642	Notes 4	0.12
2	Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd.	2	Construction income	2,794,375	Notes 4	10.24
		”	2	Receivable	78,521	Notes 4	0.04
		”	2	Contract asset	248,494	Notes 4	0.13
		Ruentex Construction International Co., Ltd.	3	Construction income	85,173	Notes 4	0.31
		Ruentex Development Co., Ltd.	3	Construction income	807,189	Notes 4	2.96
		”	3	Receivable	161,821	Notes 4	0.08
		”	3	Contract asset	31,923	Notes 4	0.02
		Ruentex Materials Co., Ltd.	1	Service revenue	11,280	Note 5	0.04
3	Ruentex Materials Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	2	Sales revenue	112,296	Note 5	0.41
		”	2	Receivable	21,404	Note 5	0.01
		”	2	Construction income	33,148	Note 5	0.12
4	Ruentex Property Management & Maintenance Co., Ltd.	Ruentex Development Co., Ltd.	2	Service revenue	17,621	Note 5	0.06
		Ruentex Xuzhan Co. Ltd.	3	Service revenue	65,516	Note 5	0.24
		”	3	Receivable	10,316	Note 5	0.01
		Ruentex Baiyi Co., Ltd.	3	Service revenue	42,355	Note 5	0.16
		Ruentex Construction International Co., Ltd.	3	Service revenue	11,486	Note 5	0.04
5	Ruentex Security Co., Ltd.	Ruentex Xuzhan Co. Ltd.	3	Service revenue	16,731	Note 5	0.06
		Ruentex Baiyi Co., Ltd.	3	Service revenue	13,505	Note 5	0.05
		Ruentex Development Co., Ltd.	2	Service revenue	14,416	Note 5	0.05
6	Ruentex Construction Co., Ltd.	Ruentex Development Co., Ltd.	2	Construction income	20,723	Notes 4	0.08
7	Ruentex Construction International Co., Ltd.	Ruentex Xuzhan Co. Ltd.	3	Receivable	12,249	Note 7	0.01

Note 1: The information about business transactions between the parent and the subsidiary shall be indicated in the column of No. respectively. Details on how to filled in No. are as follows:

(1). Please fill in “0” for the parent.

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

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

In the case of the transaction between the subsidiaries, if one of the subsidiaries has disclosed the information, the other subsidiary does not require making a duplicate disclosure.):

(1). parent and its subsidiary

(2). Subsidiary and its parent

(3). Subsidiary and the other subsidiary

Note 3: The transaction amount as a percentage of the consolidated total operating revenue or total assets shall be calculated at the balance at the end of period as a percentage of the consolidated total assets for assets or liabilities items, and the interim cumulative amount as a percentage of the consolidated total operating revenue for profits or losses items.

Note 4: The price shall be set according to negotiations between the two parties, and the amount shall be collected according to the prescribed period of the construction contract.

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

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

Note 7: It belongs to the collection and payment service.

Ruentex Development Co., Ltd. and subsidiaries
The name of the invested company, the location and other relevant information (excluding the invested companies in mainland China)

January 1 to December 31, 2021

Attached Table VIII

Unit: NTD in Thousands
(Unless Stated Otherwise)

Name of the investing company	Name of the investee company	Location	Major Operating Items	Original investment amount		Holding at the end of period			Current profit and loss of the investee company	Gains and losses on investment recognized for the current period	Remark
				End of the current period	End of last year	Shares	Ratio	Carrying amount			
Ruentex Development Co., Ltd.	Ruentex Construction International (B.V.I.) Ltd.	British Virgin Islands (BVI)	General Investment	\$ 635,403	\$ 635,403	25,000,000	100.00	\$ 1,814,857	\$ 6,713	\$ 6,713	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Design and Construction of Interior Decoration, Gardens, and Greenery	22,076	-	735,862	5.45	23,011	40,321	956	Sub-sub-subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Property Management & Maintenance Co., Ltd.	Taiwan	Mansions Management Services	15,998	15,998	2,828,650	100.00	45,461	10,103	10,103	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruen Fu Newlife Corp.	Taiwan	Senior Citizen's housing and buildings general affairs administration	12,000	9,000	1,200,000	60.00	1,162	(12,103)	(7,262)	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Security Co., Ltd.	Taiwan	Ruentex Security Co., Ltd.	49,000	49,000	6,900,000	100.00	91,103	12,508	12,508	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Construction International Co., Ltd.	Taiwan	Operating shopping center, self-operated counter, commercial real estate leasing, residential buildings and building rental and sale business development and Enterprise Management consultant Business	1,959,299	1,058,043	200,000,000	100.00	2,561,123	91,315	91,315	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Xuzhan Co. Ltd.	Taiwan	Mall Operations and Commercial Property Leasing	1,600,000	1,600,000	160,000,000	80.00	1,973,462	255,445	204,356	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Baiyi Co., Ltd.	Taiwan	Mall Operations and Commercial Property Leasing	700,000	1,950,000	70,000,000	35.00	832,245	221,695	166,581	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Development Co., Ltd.	Taiwan	Congregate housing and commercial building rental and sale development and investment management consultant	1,988,000	1,988,000	198,800,000	70.00	2,202,214	482,864	338,005	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Taiwan	Contract of construction and civil engineering	3,052,215	3,052,215	72,397,456	39.14	1,771,448	1,842,218	655,208	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Materials Co., Ltd.	Taiwan	Building materials production and distribution	44,087	44,087	15,740,381	10.49	175,744	(103,741)	(9,116)	Sub-subsidiary of the Company
Ruentex Development Co., Ltd.	Jing Hong Investment Co., Ltd.	Taiwan	General Investment	171,000	270,000	17,100,000	30.00	1,090,494	56,082	16,824	The investee company accounted for under the equity method
Ruentex Development Co., Ltd.	Ruen Chen Investment Holding Co., Ltd.	Taiwan	General Investment	19,215,000	19,125,000	5,596,250,000	25.00	95,598,228	52,526,803	13,131,701	The investee company accounted for under the equity method (Note 3)

Name of the investing company	Name of the investee company	Location	Major Operating Items	Original investment amount		Holding at the end of period			Current profit and loss of the investee company	Gains and losses on investment recognized for the current period	Remark
				End of the current period	End of last year	Shares	Ratio	Carrying amount			
Ruentex Development Co., Ltd.	Concord Greater China Ltd.	British Virgin Islands (BVI)	General Investment	\$ 409,489	\$ 409,489	10,593,334	25.46	\$ 854,718	\$ 97,738	\$ 24,884	The investee company accounted for under the equity method
Ruentex Development Co., Ltd.	Shing Yen Construction Development Co., Ltd.	Taiwan	Congregate housing and commercial building rental and sale and operation of department store business	284,147	284,147	28,414,684	45.45	294,800	(2,574)	(1,170)	The investee company accounted for under the equity method
Ruentex Development Co., Ltd.	Sunny Friend Environmental Technology Co., Ltd.	Taiwan	Waste disposal and pollution prevention equipment manufacturing	331,147	331,147	29,677,148	26.62	869,113	944,914	251,536	The investee company accounted for under the equity method (Note 1)
Ruentex Development Co., Ltd.	Global Mobile Corp.	Taiwan	Type I Telecommunications Enterprises and Communication Engineering Industry	269,443	269,443	26,082,039	9.46	-	-	-	The investee company accounted for under the equity method
Ruentex Development Co., Ltd.	Ruentex Industries Ltd.	Taiwan	Spinning, Textiles, and Manufacturing, Processing and Sales of Garments	2,537,808	2,537,808	85,436,887	11.63	9,910,887	11,757,392	1,370,103	The investment company which accounts for the Company using the equity method (Note 2)
Ruentex Development Co., Ltd.	Nan Shan Life Insurance Co., Ltd.	Taiwan	Personal insurances, including life insurance, health insurance, damage insurance or annuity.	474,720	474,720	32,047,620	0.23	1,121,541	58,643,377	135,971	The investee company accounted for under the equity method
Ruentex Construction International BVI Co., Ltd.	Ruentex Construction International Ltd.	Hong Kong	General Investment	32,860	32,860	7,800,000	100.00	20,471	(582)	(582)	Sub-subsidiary of the Company
Ruentex Construction International BVI Co., Ltd.	Sinopac Global Investment Ltd.	Cayman Islands	General Investment	640,770	640,770	19,500,000	49.06	1,020,479	15,115	7,415	The investee company accounted for under the equity method
Ruentex Engineering & Construction Co., Ltd.	Ruentex Materials Co., Ltd.	Taiwan	Building materials production and distribution	695,548	695,548	58,726,917	39.15	822,342	(103,741)	(40,616)	Sub-subsidiary of the Company
Ruentex Engineering & Construction Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Design and Construction of Interior Decoration, Gardens, and Greenery	82,365	-	2,745,483	20.34	85,307	40,321	3,022	Sub-sub-subsidiary of the Company
Ruentex Engineering & Construction Co., Ltd.	Ruentex Construction Co., Ltd.	Taiwan	Civil Engineering Projects	5,408	5,408	600,000	100.00	3,081	(6,190)	(6,190)	Sub-subsidiary of the Company
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Design and Construction of Interior Decoration, Gardens, and Greenery	140,571	140,571	5,250,000	38.89	163,130	40,321	31,242	Sub-sub-subsidiary of the Company
Ruentex Construction International Co., Ltd.	Ruentex Industries Ltd.	Taiwan	Spinning, Textiles, and Manufacturing, Processing and Sales of Garments	131,158	131,158	2,369,755	0.32	353,592	11,757,392	38,034	The investment company which accounts for the Company using the equity method
Ruentex Construction International Co., Ltd.	Ruentex Baiyi Co., Ltd.	Taiwan	Mall Operations and Commercial Property Leasing	1,300,000	-	130,000,000	65.00	1,545,598	221,695	55,114	Subsidiary of the Company
Ruentex Security Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Taiwan	Contract of construction and civil engineering	57,799	57,799	1,337,120	0.72	74,787	1,842,218	13,319	Subsidiary of the Company
Ruentex Property Management & Maintenance Co., Ltd. Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Taiwan	Contract of construction and civil engineering	15,583	15,583	361,680	0.20	20,230	1,842,218	3,603	Subsidiary of the Company

Note 1: The provision of 29,677 thousand shares, a total of NT\$ 869,113 thousand was pledged to financial institutions for financing loans.

Note 2: The provision of 64,607 thousand shares, a total of NT\$7,494,389 thousand was pledged to financial institutions for financing loans.

Note 3: The provision of 1,248,839 thousand shares, a total of NT\$21,330,171 thousand was pledged to financial institutions for financing loans.

Ruentex Development Co., Ltd. and subsidiaries
Information on main investors
December 31, 2021

Attached Table IX

Name of Major Shareholders	Shares	
	Number of shares held	Shareholding percentage
Ruentex Industries Ltd.	541,472,450	25.70
Huei Hong Investment Co., Ltd.	155,935,143	7.40

Appendix B

Ruentex Development Co., Ltd.
Unconsolidated Financial Statements for the
Years Ended December 31, 2021 and 2020 and
Independent Auditor's Report
2021 and 2020
(Stock Code: 9945)

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

Ruentex Development Co., Ltd.

Unconsolidated Financial Statements for the Years Ended December 31, 2021 and 2020
and Independent Auditor's Report

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Accountants' Audit Report

(2022) Cai-Shen-Bao-Zi No.21004685

Ruentex Development Co., Ltd.

The Board of Directors and Shareholders:

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, 2021 and 2020 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, 2021 and 2020, 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, 2021. 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, 2021 are stated as follows:

Accuracy of Investment Balance Accounted for using equity method

Description of Key Audit Matters

The investment balance under equity method of the Company as of December 31, 2021 was NT\$121,228,421 thousand, representing 77.13% of total Assets. 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).

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 2021 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 Ruentex Engineering & Construction are respectively described in the following:

Assessment on Recognition of Construction Income - Construction Completion Progress

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 listing the assessment on the construction completion progress used in the recognition of construction income as one of the key matters in this year’s audit.

Corresponding Audit Procedures

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

1. Based on our understanding of the business operation and nature of industry of Ruentex Engineering & Construction, we assessed the internal operation procedures used in the estimation of construction total cost, including the quantitative unit of building structural drawings of owners in order to determine the procedures for each construction cost (contracting works and material/labor expense) and the consistency of the estimation method.
2. We assessed and tested the internal 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. We conducted field survey and interviewed major construction sites not yet in progress at the end of the period.
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.

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.

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, 2021 and 2020, the investment balances under equity method (including investments under the equity method for the listed liabilities) for the aforementioned companies were NT\$2,966,853 thousand and NT\$7,067,446 thousand, respectively, representing 1.89% and 4.59% 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\$(593,185) thousand and NT\$(415,757) thousand respectively, representing 14.45% and 1.21% 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 to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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, 2021 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

Chang,Shu-Chiung

Certified Public Accountant

Huang,Chin-Lien

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

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

March 15, 2022

Ruentex Development Co., Ltd.
Unconsolidated Balance Sheets
December 31, 2021 and 2020

Unit: NTD in Thousands

Assets		Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 5,731,650	3	\$ 3,467,615	2
1120	Financial Assets at fair value through other comprehensive income acquired	6(6)				
	- Current		1,303,338	1	-	
1170	Net Accounts Receivable	6(2)	11,128	-	9,435	-
1180	Accounts receivable - related parties - net	7	538	-	561	-
1200	Other receivables		3,464	-	5,819	-
1210	Other Receivables - related party	7	4,067	-	3,352	-
1220	Current income tax assets		-	-	12,566	-
130X	Inventories	6(3) and 8	23,347,290	15	23,070,044	15
1410	Prepayments		107,300	-	58,661	-
1470	Other Current Assets	6(1)(4) and 8	1,020,410	1	1,112,104	1
11XX	Total current assets		31,529,185	20	27,740,157	18
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(5)(6)	-	-	37,262	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)(6) and 8	1,230,821	1	2,008,422	1
1535	Amortized cost financial Assets - non-Current	6(7)	60,000	-	60,000	-
1550	Investments accounted for using equity method	6(8), 7, and 8	121,228,421	77	121,181,202	79
1600	Property, plant, and equipment	6(9)	164,269	-	136,603	-
1755	Right-of-use assets	6(10)	688,093	1	691,052	1
1760	Net value of investment properties	6(11) and 8	1,925,173	1	1,953,200	1
1840	Deferred tax Assets	6 (29)	218,343	-	203,882	-
1900	Other non-current Assets	6(12) and 8	132,802	-	101,410	-
15XX	Total non-current assets		125,647,922	80	126,373,033	82
1XXX	Total Assets		\$ 157,177,107	100	\$ 154,113,190	100

(Continued)

Ruentex Development Co., Ltd.
Unconsolidated Balance Sheets
December 31, 2021 and 2020

Unit: NTD in Thousands

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
Current Liabilities						
2100	Short-term borrowings	6(13) and 8	\$ 1,600,000	1	\$ 2,100,000	2
2110	Short-term bills payable	6(14) and 8	4,078,307	3	4,358,912	3
2130	Contract liabilities - current	6(21) and 7	2,302,690	2	1,538,532	1
2150	Notes payable		32,655	-	37,814	-
2160	Notes payable - related party	7	155,751	-	152,324	-
2170	Accounts payable		101,240	-	79,279	-
2180	Accounts payable - related party	7	348,157	-	390,462	-
2200	Other payables		350,756	-	338,615	-
2230	Income tax liabilities of current period		313,527	-	1,080,091	1
2280	Lease liabilities - current	6(10)	90,841	-	85,931	-
2320	Long-term liabilities due within one year or one operating cycle	6(15) and 8	3,399,822	2	5,962,512	4
2399	Other current liabilities - other		118,006	-	123,048	-
21XX	Total Current Liabilities		12,891,752	8	16,247,520	11
Non-current liabilities						
2540	Long-term borrowings	6(15) and 8	24,781,872	16	20,246,911	13
2570	Deferred income tax liabilities	6 (29)	989,664	1	1,695,097	1
2580	Lease liabilities - non-current	6(10)	616,605	-	621,853	-
2600	Other non-Current liabilities	6(8)(16)	1,035,180	1	1,057,479	1
25XX	Total Non-Current Liabilities		27,423,321	18	23,621,340	15
2XXX	Total Liabilities		40,315,073	26	39,868,860	26
Equity						
	Capital	6(17)				
3110	Share capital		21,068,334	13	15,048,810	10
	Capital surplus	6(18)				
3200	Capital surplus		18,160,798	12	18,147,191	12
	Retained earnings	6(19)				
3310	Legal reserve		5,318,436	3	4,472,550	3
3320	Special reserve		507,767	-	507,767	-
3350	Undistributed earnings		45,429,787	29	37,360,519	24
	Other Equities	6(20)				
3400	Other Equities		26,461,551	17	38,792,132	25
3500	Treasury stock	6(8)(17)	(84,639)	-	(84,639)	-
3XXX	Total Equity		116,862,034	74	114,244,330	74
	Significant contingent liabilities and unrecognized contractual commitments	9				
	Significant subsequent events	11				
3X2X	Total Liabilities and Equity		\$ 157,177,107	100	\$ 154,113,190	100

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-Tzu

Ruentex Development Co., Ltd.
Unconsolidated Statements of Comprehensive Income
For the Years Ended December 31, 2021 and 2020

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

Item	Notes	2021		2020	
		Amount	%	Amount	%
4000 Operation income	6(21) and 7	\$ 4,966,299	100	\$ 4,745,969	100
5000 Operation Cost	6(3)(22)(27) (28) and 7	(4,000,088)	(81)	(3,584,972)	(76)
5900 Gross profit		966,211	19	1,160,997	24
5910 Unrealized sale gains		(243)	-	(2,195)	-
5920 Realized sale gains		5,281	-	-	-
5950 Net gross operating profit		971,249	19	1,158,802	24
Operating Expenses	6(16)(27) (28) and 7				
6100 Selling and marketing expenses		(625,846)	(12)	(593,386)	(12)
6200 Administrative expense		(280,750)	(6)	(264,758)	(6)
6450 Expected credit impairment (losses) gains	6(27)	(192)	-	52	-
6000 Total Operating Expenses		(906,788)	(18)	(858,092)	(18)
6900 Operating Profit		64,461	1	300,710	6
Non-operating Income and Expenses					
7100 Interest revenue	6(7)(23)and 7	10,325	-	34,411	1
7010 Other income	6(6)(24)	19,387	-	30,016	1
7020 Other gains and losses	6(25)	(114,702)	(2)	(162,534)	(4)
7050 Financial costs	6(3)(10)(26)	(261,773)	(5)	(334,451)	(7)
7070 Share of other comprehensive gains and losses of subsidiaries, affiliates and joint ventures recognized using the Equity method	6 (8)	16,399,216	330	9,836,388	207
7000 Total non-operating income and expenses		16,052,453	323	9,403,830	198
7900 Net profit before tax		16,116,914	324	9,704,540	204
7950 Income tax benefit (expense)	6 (29)	125,632	3	(1,146,889)	(24)
8000 Net profit for the period of the continued business unit		16,242,546	327	8,557,651	180
8200 Net income of current period		\$ 16,242,546	327	\$ 8,557,651	180

(Continued)

Ruentex Development Co., Ltd.
Unconsolidated Statements of Comprehensive Income
For the Years Ended December 31, 2021 and 2020

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

Item			Notes	2021		2020	
				Amount	%	Amount	%
Other Comprehensive Income (Loss)							
Items not to be reclassified into profit or loss							
8311	Remeasurements of defined benefit plans	6(16)	\$	365	-	(\$ 2,652)	-
8316	Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(6)		728,215	15	(241)	-
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(20)		243,870	5	(138,061)	(3)
8349	Income tax relating to non-reclassified items	6(20)(29)	(	72,542)	(2)	3,028	-
8310	Total of items not to be reclassified into profit or loss			899,908	18	(137,926)	(3)
Items may be reclassified subsequently to profit or loss							
8361	Exchange differences on translating foreign operations		(	168,399)	(3)	(349,826)	(7)
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)	(	13,168,107)	(265)	26,332,679	555
8399	Income tax related to items may be reclassified into profit or loss	6(20)(29)		299,452	6	(58,600)	(1)
8360	Total of items may be reclassified subsequently to profit or loss		(	13,037,054)	(262)	25,924,253	547
8300	Other comprehensive income (net)		(\$	12,137,146)	(244)	\$ 25,786,327	544
8500	Total Comprehensive Income Current Period		\$	4,105,400	83	\$ 34,343,978	724
	Earnings per share	6(30)					
9750	Basic earnings per share		\$	7.98		\$	4.20
9850	Diluted earnings per share		\$	7.97		\$	4.20

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-Tzu

Ruentex Development Co., Ltd.
Unconsolidated Statements of Changes in Equity
For the Years Ended December 31, 2021 and 2020

Unit: NTD in Thousands

	Notes	Share capital	Capital surplus	Retained earnings		Undistributed earnings	Other Equities	Treasury stock	Total Equity
				Legal reserve	Special reserve				
<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 Current Period		-	-	-	-	8,464,649	25,879,329	-	34,343,978
Appropriation and distribution of the earnings for 2019:	6(19)								
Legal reserve		-	-	656,143	-	(656,143)	-	-	-
Special reserve	6(19)	-	-	-	(29,015,899)	29,015,899	-	-	-
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
<u>2021</u>									
Balance at January 1, 2021		\$ 15,048,810	\$ 18,147,191	\$ 4,472,550	\$ 507,767	\$ 37,360,519	\$ 38,792,132	(\$ 84,639)	\$ 114,244,330
Net income of current period	6(19)	-	-	-	-	16,242,546	-	-	16,242,546
Other Comprehensive Income	6(19)(20)	-	-	-	-	80,300	(12,217,446)	-	(12,137,146)
Total Comprehensive Income Current Period		-	-	-	-	16,322,846	(12,217,446)	-	4,105,400
Appropriation and distribution of the earnings for 2020:	6(19)								
Legal reserve		-	-	845,886	-	(845,886)	-	-	-
Cash dividends		-	-	-	-	(1,504,881)	-	-	(1,504,881)
Share dividend		6,019,524	-	-	-	(6,019,524)	-	-	-
Reversal of dividends unclaimed by shareholders with claim period elapsed	6(18)	-	(259)	-	-	-	-	-	(259)
Changes in associates & joint ventures accounted for using equity method	6(18) (19)	-	3,978	-	-	3,578	-	-	7,556
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	6(6)(19)(20)	-	-	-	-	113,135	(113,135)	-	-
Changes in the ownership interests of subsidiaries as recognized	6(18)	-	9,888	-	-	-	-	-	9,888
Balance on December 31, 2021		\$ 21,068,334	\$ 18,160,798	\$ 5,318,436	\$ 507,767	\$ 45,429,787	\$ 26,461,551	(\$ 84,639)	\$ 116,862,034

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 Supervisor: Lin, Chin-Tzu

Ruentex Development Co., Ltd.
Unconsolidated Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

Unit: NTD in Thousands
2020

	Notes	2021		2020
<u>Cash flows from operating activities</u>				
Profit before Income Tax current period		\$ 16,116,914	\$	9,704,540
Adjustment item				
Income and expenses				
Unrealized incomes among affiliates		12,662		20,194
Depreciation expense	6(27)	150,836		134,073
Expected credit impairment (losses) gains	6(27)	192	(	52)
Interest Cost	6(26)	261,773		334,451
Interest revenue	6(23)	(10,325 )	(	34,411)
Dividend income	6(24)	-	(	18,504)
Share of profit of associates accounted for using the equity method	6(8)	(16,399,216 )	(	9,836,388)
Loss on disposal of property, plant and equipment	6(25)	566		535
Valuation profit on financial assets at fair value through profit or loss	6(5)(25)	(12,018 )	(	3,427)
Changes in assets/liabilities relating to operating activities				
Net changes in assets relating to operating activities				
Notes receivable		-		3,589
Accounts Receivable		(1,885 )	(	3,873)
Accounts Receivable – related Party		23		574
Other receivables		2,923	(	3,732)
Other receivables - related Party		(715)		161
Inventories		(222,348 )	(	985,943)
Prepayments		(48,639)		37,704
Other Current Assets		91,767	(	608,184)
Net change in liabilities related to operating activities				
Contractual Liabilities - Current		764,158		1,054,579
Notes payable		(5,160 )	(	15,778)
Notes Payable – related Party		3,428	(	59,334)
Accounts payable		21,961	(	53,239)
Accounts Payable – related Party		(42,305)		110,823
Other payables		12,721		23,393
Other Current Liabilities		(5,041)		107,067
Other non-Current liabilities		(1,875 )	(	1,443)
Cash inflow (outflow) from operations		690,397	(	92,625)
Interest received		9,757		35,549
Amount of interest Paid		(315,843 )	(	380,034)
Dividends received		3,701,102		1,219,164
Income tax paid		(1,134,802 )	(	83,491)
Income tax refunded		12,566		-
Cash inflow from operating activities		2,963,177		698,563

(Continued)

Ruentex Development Co., Ltd.
Unconsolidated Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

Unit: NTD in Thousands
2020

	Notes	2021	2020
<u>Cash flows from investing activities</u>			
Investment accounted for under the equity method	6(8)	(\$ 3,745,505)	(\$ 87,500)
Return of funds to reduced investment adopting the Equity method	6(8)	3,305,755	-
Investment in real estate properties, plants, and equipment	6(9)	(59,636)	(106,485)
Disposal the payment of real estate, plants, and equipment		612	42
Increase in refundable deposits		(30,880)	(32,349)
Disposal of financial Assets at fair value through other comprehensive income acquired - non-Current	6(6)	124,319	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
Share capital returned from capital reduction in financial assets at fair value through other comprehensive income - non-current	6(6)	127,438	-
Other decrease (increase) in non-Current Assets		(585)	2,858
Cash used in investing activities		(278,482)	(73,236)
<u>Cash flows from financing activities</u>			
Net decrease in short-term borrowings	6(32)	(500,000)	(690,000)
Net increase (decrease) in short-term notes and bills payable	6(32)	(280,000)	2,130,000
Amount of long-term borrowings	6(32)	44,333,000	25,865,000
Repayments of long-term borrowings	6(32)	(42,363,000)	(28,158,000)
Decrease in guarantee deposits received	6(32)	(16,383)	(5,490)
Principal elements of lease payments	6(10)(32)	(89,396)	(74,216)
Cash dividends paid	6(19)	(1,504,881)	(1,003,254)
Cash used in financing activities		(420,660)	(1,935,960)
Net increase (decrease) in cash and cash equivalents		2,264,035	(1,310,633)
Cash and cash equivalents at the beginning of the period	6(1)	3,467,615	4,778,248
Cash and cash equivalents at the end of year	6(1)	\$ 5,731,650	\$ 3,467,615

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-Tzu

Ruentex Development Co., Ltd.
Notes to Unconsolidated Financial Statements
2021 and 2020

Unit: NTD in Thousands
(Unless Stated Otherwise)

1. Company History

Ruentex Development Co., Ltd. (hereinafter referred to as the “Company”), was incorporated In September 1977 under the laws of Republic of China (ROC) and formerly known as “Ruentex Construction Co., Ltd.” On July 2, 2002, the Company changed its name to “Ruentex Development Co., Ltd.” under the approval of the competent authority. The Company was authorized to trade its stocks on the Taiwan Stock Exchange since April 30, 1992. The Company primarily operates the businesses of contracted construction of congregate housings and lease/sale of commercial buildings, purchase and sale of building materials as well as department store business and super market business.

2. Date and Procedure for Approval of Financial Statements

The unconsolidated financial statements were authorized for issuance by the Company’s board of directors on March 15, 2022.

3. Application of New, Amended and Revised Standards and Interpretations

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

New standards, interpretations and amendments endorsed by FSC effective from 2021 are as follows:

New and revised standards, amendments to standards and interpretations	To be determined by the International Accounting Standards Board (IASB) Effective date of IASB announcement
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying of IFRS 9”	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 - “Interest Rate Benchmark Reform - Phase 2”	January 1, 2021
Amendment to IFRS 16 - “COVID-19-Related Rent Concessions After June 30, 2021”	April 1, 2021 (Note)

Note: The FSC allowed for the application of the amendment in advance from January 1, 2021 onward.

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

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

New standards, interpretations and amendments endorsed by FSC effective from 2022 are as follows.

New and revised standards, amendments to standards and interpretations	To be determined by the International Accounting Standards Board (IASB) Effective date of IASB announcement
Amendment to IFRS 3 - "Reference to the Conceptual Framework"	January 1, 2022
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022
2018-2020 annual improvements cycle	January 1, 2022
The above standards and interpretations have no significant impact to the Company’s financial condition and operating result based on the Company’s assessment.	

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

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

New and revised standards, amendments to standards and interpretations	To be determined by the International Accounting Standards Board (IASB) Effective date of IASB announcement
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by the International Accounting Standards Board (IASB)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 - “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
Amendment to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 - “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023

Except for the potential impact of IFRS 17 "Insurance Contracts" and its amendments on investments using the equity method, which is currently under evaluation, it is temporarily unable to reasonably estimate the impact on the Company. The Company has assessed the impact of the standards and interpretations above on its financial position and financial performance. There is no significant impact, and the relevant amount impacted will be disclosed when the assessment is completed.

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

The unconsolidated financial statements were prepared in accordance with the 'Regulations Governing the Preparation of Financial Reports by Securities Issuers'.

(2) Basis of preparation

1. Except for the following items, these unconsolidated financial statements have been prepared under the historical cost convention:
 - (1) Financial assets (including derivative instruments) at fair value through profit or loss.
 - (2) Financial assets at fair value through other comprehensive income.
 - (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
2. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the unconsolidated financial statements are disclosed in Note V.

(3) Foreign currency translation

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

1. Foreign currency translation and balances

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

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

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

2. Translation of foreign operations

- (1) The operating results and financial position of all the subsidiaries and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - A. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - B. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - C. All resulting exchange differences are recognized in other comprehensive income.
- (2) When the foreign operation partially disposed of or sold is an associate cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred into part of the gain or loss on the sale or disposal thereof. In addition, even when the Company still retains partial interest in the former associate after losing its major influence on the former foreign operation associate such transactions should be accounted for as disposal of all interest in the foreign operation.
- (3) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of Current and non-Current items

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

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

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

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

- (1) Liabilities that are expected to be settled within the normal operating cycle;
- (2) Assets held mainly for trading purposes;
- (3) Liabilities that are to be settled within 12 months from the balance sheet date;
- (4) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the balance sheet date. Terms of a liability that could, at the

option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Liabilities that do not meet the above criteria are classified as non-Current liabilities.

3. Since the operating cycle of building and housing sale is longer than one year, the Assets and liabilities related to construction and long-term construction contracts are classified into current and non-current according to the standard of the operating cycle.

(5) Cash equivalents

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

(6) Financial assets at fair value through profit or loss

1. Financial assets not included as financial assets measured at amortized costs or at fair value through other comprehensive income.
2. On regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
3. Financial assets at fair value through profit or loss are initially recognized at fair value. Associated transaction costs are accounted in profit or loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognized in profit or loss.

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

1. It refers to an irrevocable choice made during the initial recognition, and the fair value change of the equity tool investment not held for trading is listed in the other comprehensive income.
2. On a regular way purchase or sale basis, financial Assets at fair value through comprehensive income are recognized and derecognized using settlement date accounting.
3. The Company initially recognized the financial Assets at fair value through profit or loss are initially recognized at fair value, and subsequently, they were measured and stated at fair value:

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

(8) Financial Assets at amortized cost

1. Refer to financial Assets satisfying the following criteria at the same time:
 - (1) Financial Assets held under the operating model for the purpose of receiving contractual cash flows.
 - (2) Where contract terms of such financial Assets generated cash flow of specific date, and it is completely for the payment of the interest of principle and external circulating principle amount.

2. On a regular way purchase or sale basis, the Company recognizes or derecognizes financial Assets at amortized cost by using settlement date accounting.
3. During the initial recognition the Company calculated the transaction cost measurement at fair value, and subsequently adopted the effective interest rate method to recognize the interest income according to the amortization procedure during the circulation period, and to recognize the impairment loss. In addition, during the derecognition, the gain or loss was recognized in the income or loss.

(9) Notes and accounts receivable

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

(10) Impairment of financial Assets

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

(11) Derecognition of financial Assets

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

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

(12) Lease transactions of lessor - rent payments receivable /operating lease

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(13) Inventories

The perpetual inventory system is adopted. The acquisition cost is used as the basis for account entry, and relevant interest during the construction period (at construction site) is capitalized, and the carry down of cost is calculated by using the weighted average method. The ending inventories are stated at the lower of cost and net realizable value. In addition, the item-by-item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for using equity method / subsidiaries, associates and joint ventures

1. Subsidiaries are all entities (including structural entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
2. Unrealized profit (loss) occurred from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
3. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.
4. Changes in the Company's ownership interest in a subsidiary that do not result in the Company's losing control (and non-controlling equity transaction) of the subsidiary are equity transactions, and it is also considered as a transaction between owners. The Company recognizes directly in equity any difference between the adjusted amount of non-controlling equity and the fair value of the consideration paid or received.
5. When the Company loses its control on a subsidiary, the remaining investment on the former subsidiary is remeasured at fair value and is used as the fair value for the initial recognition of financial Assets or the cost for initial recognition of investment in an associate. The difference between the fair value and the carrying amount is recognized as the profit or loss of the Current period. For all of the amounts related to the subsidiary previously recognized in other comprehensive income, if its accounting handling basis is identical to the disposal of relevant Assets or liabilities directly, i.e. such as the profit or loss recognized in the other comprehensive income it is re-classified as profit or loss during the disposal of relevant Assets or liabilities, then when the Company loses its control on the subsidiary, such profit or loss shall be re-classified as profit or loss from equity.
6. An associate is an entity over which the Company has significant influence but without control power, and it generally refers to an entity that the Company directly or indirectly holds more than 20% of shares of voting rights. The Company uses the equity method to account for its investments in associates, and costs are recognized during the acquisition thereof.
7. The Company's share of its associate's post-acquisition profits or losses are recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income.
 - (1) Among them, for "other comprehensive income recognized by share - reclassification using overlay approach", the overlay approach may only be designated for financial assets that meet the criteria below:
 - (a) The financial asset at fair value through profit or loss under IFRS 9, but if the International Accounting Standards 39 (IAS 39) (Financial Instruments: Recognition and Measurement) applies, it will not be measured at fair value through profit or loss as a whole; and
 - (b) The financial asset is not held for an activity not connected to a contract within the scope of IFRS 4.
 - (2) Investees using the equity method may (but are not required to) apply the overlay

approach to a designated financial asset. The overlay approach is accounting treatment of a reclassified amount between profit or loss and other comprehensive income; such that the gain or loss on the designated financial asset at the end of the reporting period is the same as that on the designated financial asset with IAS 39 applied. Accordingly, the reclassified amount is the difference between:

- (a) the amount recognized in profit or loss when IFRS 9 applies to the designated financial asset; and
- (b) The amount recognized in profit or loss if IAS 39 applies to the designated financial asset.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any other unsecured accounts receivable), the Company discontinues recognizing its share of further losses; unless that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

- 8. When the an associate is subject to equity change not for profit or loss or other comprehensive income and when the shareholding percentage on the associate is not affected, the Company then recognizes the equity change under the share of the associate for the Company as the "capital reserve" according to the shareholding percentage.
- 9. The unrealized profit or loss generated from the transactions between the Company and an associate has been eliminated according to the equity ratio of the associate. Unless there is evidence indicating that the asset transferred in such transaction has impairment, the unrealized loss is also eliminated. The accounting policies of the associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- 10. When an associate issues new shares, if the Company does not subscribe or acquire according to such ratio such that there is a change in the investment ratio and still causing significant impact, then "capital reserve" and "investment accounted for using equity method" are adjusted for the increase/decrease of the change of net value of the equity. If it causes the investment ratio to decrease, in addition to the aforementioned adjustment, for the profit or loss related to the decrease of the ownership equity and previously recognized in the other comprehensive income, and such profit or loss requires to be reclassified into profit or loss during the disposal of relevant Assets or liabilities, it is reclassified into profit or loss according to the ratio of decrease.
- 11. When the Company loses its significant influence on an associate, the remaining investment on the former associate is remeasured at fair value, and the difference between the fair value and the carrying amount is recognized as the profit or loss of the Current period.
- 12. When the Company disposes an associate, if the Company loses its significant influence on the associate, then for all of the amounts related to the associate previously recognized in other comprehensive income, if its accounting handling basis is identical to the disposal of relevant Assets or liabilities directly, i.e. such as the profit or loss recognized in the other comprehensive income, it is re-classified as profit or loss during the disposal of relevant Assets or liabilities, then when the Company loses its significant influence on the associate, such profit or loss shall be re-classified as profit or loss from equity. If the Company still has significant influence on the associate, then the amount previously recognized in the other comprehensive income is

transferred out proportionally according to the aforementioned method.

13. When the Company disposes an associate, if it loses its significant influence on the associate, the capital reserve related to the associate is recognized as profit or loss. If it shall have significant influence on the associate, then it is recognized as profit or loss according to the disposal ratio.
14. If an investment recognized under equity method holds shares of the Company and measures the investment in the Company using the equity method, the gains or losses from such investment is measured at the investment's carrying amount excluding the Company's profit or loss recognized by the former investment entity.
15. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", profit (loss) of the Current period and other comprehensive income in the unconsolidated financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the unconsolidated financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statement.

(15) Property, plant, and equipment

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

Machinery and equipment	2 years ~ 11 years
Warehouse equipment	2 years ~ 8 years
Transportation equipment	2 years ~ 6 years
Office equipment	2 years ~ 6 years
Other equipment	2 years ~ 11 years

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

1. The lease assets are recognized as the right-of-use assets and lease liabilities on the date availed to the Company. If the lease contracts are short-term lease or low-value underlying asset lease, the lease payments are recognized as expenses during the lease terms with the

straight line method.

2. From the starting date of lease, the lease liabilities are recognized at the current values of the unpaid lease payments discounted with the Company's incremental lending rate; the lease payments include the fixed payments deducting the receivable lease incentives. Subsequently, they are measured at the amortized costs based on the interest method, and recognized as the interest expenses during the lease terms. Shall the lease terms or lease payments change due to the non-contractual modifications, the lease liabilities will be measured again, and the re-measurements will be used to adjust the right-of-use assets.
3. The right-of-use assets are recognized as the costs on the starting date of leases. The costs include the original measured amount of the lease liabilities, and the lease payment on or before the starting date, if any. Subsequently, they are measured at the costs; the depreciation expenses are recognized at the end of useful lives, or the expiry of the lease terms, whichever is earlier. Shall the lease liabilities be reassessed, the right-of-use assets will adjust any re-measurement of the lease liabilities.

(17) Investment Real Estate

An investment real estate is stated initially at its cost and measured subsequently using the cost model. Except for and, investment real estate is depreciated on a straight-line basis over its estimated useful life of 3~60 years.

(18) Impairment of non-financial Assets

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

(19) Loans

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

(20) Notes and accounts payable

1. Notes and accounts payable refer to debts occurred due to goods or services that have been acquired in the course of business and occurred due to non-operating activities.
2. For short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(21) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged or canceled or expires.

(22) Employee benefits

1. Short-term employee benefits

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

2. Pensions

(1) Defined contribution plans

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

(2) Defined benefit plans

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

3. Employees' compensation, directors' and supervisors' remuneration

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

(23) Income tax

1. The income tax expense for the period comprises Current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The Current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. The management assesses the status of income tax declaration according to relevant applicable income tax laws, and shall pay the income tax liability estimated to the taxation agency according to the expectation under applicable status. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings in a

shareholders' meeting of the following year.

3. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of Assets and liabilities and their carrying amounts in the parent only balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination (excluding corporate individual entity) that at the time of the transaction affects neither accounting nor taxable profit (loss). Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates or laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred income tax Assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax Assets are reassessed.
5. Current income tax Assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax Assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset Current tax Assets against Current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(24) Capital

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

(25) Dividends

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

(26) Income

1. Land development and sale

- (1) The Company operates the business of land development and sales of housing, and income is recognized when the control of real estate is transferred to customers. For the housing sales contract already signed, based on the restriction of contract terms, such real estate serves no other purposes to the Company; however, when the statutory ownership of the real estate is transfer to customer, the Company then has the executable right on the contract terms. Consequently, income is recognized at the time when the statutory ownership is transferred to the customer.
- (2) Income is measured based on the contract negotiated amount, and the contract price is

paid when the statutory ownership of the real estate is transferred. Under extremely rare cases, the Company and customers engaged in negotiation for the deferred time of payment; however, the deferred repayment periods were all less than 12 months. Therefore, it is determined that there is no major financial composition in the contract, such that the consideration amount is not adjusted.

2. Sale of goods

- (1) The Company operates the business related to department store purchase and sale, as well as the business of super market. The income from sale of goods is recognized when the control of goods is transferred to customers, i.e. when the goods are delivered to customer. In addition, the Company has no unfulfilled obligations that may affect customer from accepting the goods. When goods are transported to the designated location, the obsolete and impairment risks have been transferred to the customer, and customer also accepts goods according to the sales contract, or when there is objective evidence proofing that all acceptable standards have been satisfied, which occurs when the goods is delivered to the customer.
- (2) The Company operates the customer premium plan for retail customers, and provides the customer reward points during the transactions. When customers exchange for the reward points, they have the right to obtain additional goods at discounted price or exchange for free of payment. The reward point is an important right that cannot be obtained if a customer has not made any initial transaction; therefore, the reward point provided to customers is a single contract performance obligation. The transaction price is appropriated to the goods and reward point based on the relative independent sales price. The independent sales price of reward point is estimated according to the discount obtained by the customer and the possibility of exchange of points based on the past experience.
- (3) Accounts receivable is recognized when goods are delivered to customers since starting from such time of delivery, the Company has the unconditional right on the contract price, and the Company can receive the consideration from the customer after time has passed.
- (4) Financial component
Since the period from the time when contracts are signed between the Company and customers, the goods or services are promised to be transferred to customers to the time when the payments are made by customers have not exceeded one year, consequently, the Company has not adjusted the transaction price to reflect the currency time value.

3. Income from lease

Income is recognized in profit or loss on a straight-line basis over the lease term.

4. Costs to obtain clients' contracts

For the incremental costs incurred to obtain clients' contracts (mainly sales commission), the expected recoverable parts are recognized as asset when incur (listed as other current assets), and amortized based on the systematic basis consistent to the transfer of the products or services related to the concern assets. Subsequently, if the expected receivable consideration becomes lower than the carrying amount recognized in the Assets after deducting the costs not recognized as expenses, the excessive amount to the carrying amount in the Assets is recognized as the impairment loss.

5. Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

The preparation of these unconsolidated financial statements requires management to make critical judgments in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results

and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of Assets and liabilities within the next financial year. The critical accounting judgments, estimates and key sources of assumption uncertainty is addressed as follows:

(1) Critical judgments in applying the Company accounting policies

Investment Real Estate

When the purpose of the real estate held by the Company are to gain rent or capital increase, such real estate are classified under the investment Assets.

(2) Critical accounting estimates and assumptions

Financial assets at fair value through other comprehensive income - the shares of unlisted companies measured at fair value.

The Company's investments in securities of other unlisted companies at fair value through other comprehensive income, the fair values are measured with reference to the valuation of comparable companies, company technology development, market condition and other economic indicators. Any change of determination and estimation can affect the measurement at fair value. For explanation of financial tool at fair value, please refer to Note XII(3).

At December 31, 2021, the carrying amount of the Company's investments in securities of other unlisted companies at fair value through other comprehensive income - current and non-current was NT\$1,304,238.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and revolving funds	\$ 4,849	\$ 4,883
Checking deposits	511,421	83,838
Demand deposits	272,173	176,569
Time deposits	4,713,049	2,301,156
Cash equivalents - Bonds under repurchase agreements	<u>230,158</u>	<u>901,169</u>
	<u>\$ 5,731,650</u>	<u>\$ 3,467,615</u>

1. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
2. The Company's restricted cash and cash equivalents on December 31, 2021 and 2020 due to advance receipt trust for construction projects and project performance bond were NT\$409,721 and NT\$559,038, respectively, which were classified as other financial assets (listed under other current assets).

(2) Accounts Receivable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts Receivable	\$ 11,390	\$ 9,505
Less: Allowance for loss	(262)	(70)
	<u>\$ 11,128</u>	<u>\$ 9,435</u>

1. The aging analysis of accounts receivable is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Not overdue	\$ 10,948	\$ 9,367
Overdue		
91 days and more	442	138
	<u>\$ 11,390</u>	<u>\$ 9,505</u>

The aging analysis was based on past due date.

2. The balances of the receivables and as of December 31, 2021 and 2020 were incurred by the clients' contracts; also as of January 1, 2020, the balances of the notes receivable and receivables were NT\$3,589 and NT\$5,510, respectively.
3. The maximum exposure to credit risk for the Company's accounts receivable, before consideration of associated collateral held and other credit enhancements was NT\$11,128 and NT\$9,435 as of December 31, 2021 and 2020, respectively.
4. The Company does not hold any collateral as security.
5. For credit risk information related to accounts receivable, please refer to Note 12(2).

(3) Inventories

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Construction business department:		
Real property for sale (including parking space)	\$ 10,295,856	\$ 13,490,128
Property under construction	8,447,303	5,657,622
Construction land	3,662,527	3,045,488
Prepayment for land purchases	1,234,540	1,175,109
Less: Allowance for valuation losses	(377,245)	(377,245)
Subtotal	<u>23,262,981</u>	<u>22,991,102</u>
Hypermarket Business Department:		
Merchandise inventory	85,961	81,934
Less: allowance for obsolescence loss	(1,652)	(2,992)
Subtotal	<u>84,309</u>	<u>78,942</u>
Total	<u>\$ 23,347,290</u>	<u>\$ 23,070,044</u>

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

	2021	2020
Cost of inventories sold	\$ 3,964,558	\$ 3,590,340
loss on physical inventory	8,653	9,221
Gain on declining price recovery	(1,340)	(42,798)
	<u>\$ 3,971,871</u>	<u>\$ 3,556,763</u>

The net realizable value of the Company's inventories in 2021 and 2020 was realized due to the inventories recognized as allowance of loss were sold in 2021, the inventories generated gains from price recovery.

2. Inventory capitalization amount and interest range:

	2021	2020
Amount of capitalization	<u>\$ 54,898</u>	<u>\$ 43,683</u>
Interest rate collars of capitalization	0.79% ~ 0.86%	0.83% ~ 1.10%

3. The aforementioned construction lands include the payment amount of the Company for the purchase of the agricultural lands. Since they are still agricultural lands, and the land category has not been changed completely, the ownership of the lands is still registered under the name of third party, and pledge has been set on such agricultural lands.
4. For the collateral status for the inventory of the aforementioned Construction Business Department, please refer to Note 8.

(4) Other Current Assets

	December 31, 2021	December 31, 2020
Joint construction guarantee deposits	\$ 479,310	\$ 479,237
Restricted bank deposits	409,721	559,038
Guarantee deposits paid	6,249	6,249
Incremental costs of obtaining contracts	<u>125,130</u>	<u>67,580</u>
	<u>\$ 1,020,410</u>	<u>\$ 1,112,104</u>

For the collateral status for other financial Assets of the Company, please refer to Note 8.

(5) Financial assets at fair value through profit or loss - non-current

Item	December 31, 2021	December 31, 2020
Non-current items:		
Financial assets mandatorily at fair value through profit or loss		
Financial assets		
Convertible bonds	\$ -	\$ 33,835
Adjustments for valuation	-	3,427
	<u>\$ -</u>	<u>\$ 37,262</u>

1. Detail of financial assets at fair value through profit or loss is as follows:

	2021	2020
Financial assets mandatorily at fair value through profit or loss		
Convertible bonds	<u>\$ 12,018</u>	<u>\$ 3,427</u>

- The Company subscribed 336,000 shares of convertible bonds III issued by Brogent Technologies Inc., at NT\$100.7 per share for \$33,835 in October 2020.
- The Company converted the 336,000 shares of convertible corporate bonds invested in Brogent Technologies Inc. into 320,000 ordinary shares in November 2021. Therefore, the initially recognized investment cost of NT\$33,835 and the cumulative value adjustment recognized in the amount of NT\$15,445 were reclassified to financial assets at fair value through other comprehensive income - non-current.

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

Item	December 31, 2021	December 31, 2020
Current items		
Equity Instrument		
Shares of non-TWSE/TPEX listed companies	\$ 128,717	\$ -
Adjustments for valuation	<u>1,174,621</u>	<u>-</u>
Total	<u>\$ 1,303,338</u>	<u>\$ -</u>
Non-current items		
Equity Instrument		
Shares of the TPEX listed companies	\$ 662,214	\$ 612,934
Shares of the TPEX-listed companies	-	12,388
Shares of non-TWSE/TPEX listed companies	<u>2,801</u>	<u>265,503</u>
	<u>665,015</u>	<u>890,825</u>
Adjustments for valuation		
- Shares of the TPEX listed companies	567,707	726,152
- Shares of the TPEX-listed companies	-	74,776
- Shares of non-TWSE/TPEX listed companies	<u>(1,901)</u>	<u>316,669</u>
	<u>565,806</u>	<u>1,117,597</u>
Total	<u>\$ 1,230,821</u>	<u>\$ 2,008,422</u>

1. The Company elected to classify the strategic investments in TPEX listed securities as financial assets at fair value through other comprehensive income, amounting to NT\$1,229,921 and NT\$1,339,086 as of December 31, 2021 and 2020, respectively.
2. The Company elected to classify the strategic investments in TPEX listed securities as financial assets at fair value through other comprehensive income, amounting to NT\$0 and NT\$87,164 as of December 31, 2021 and 2020, respectively.
3. The Company elected to classify the strategic investments in unlisted securities as financial assets at fair value through other comprehensive income, amounting NT\$1,304,238 and NT\$582,172 as of December 31, 2021 and 2020, respectively.
4. The maximum exposure to credit risk for the Company's financial assets at fair value through other comprehensive income, before consideration of associated collateral held and other credit enhancements, was NT\$2,534,159 and NT\$2,008,422 as of December 31, 2021 and 2020, respectively.
5. Evergreen Steel Corporation was listed on Taiwan Stock Exchange (TWSE) on January 13, 2020. Therefore, the Company reclassified the stock from non-listed stock to the TWSE and TPEX stock. The adjustments to the cost and valuation gains are NT\$12,388 and NT\$35,990, respectively. Evergreen Steel Corporation was approved to be listed on TWSE on October 27, 2020 and its stock began to be traded on April 23, 2021. Therefore, the Company reclassified the stock from TPEX-listed stock to TWSE-listed one. The adjustments to the cost and valuation gains are NT\$12,388 and NT\$102,573, respectively. The Company successively disposed of all 1,884,613 shares of Evergreen Steel Corporation it held in June and July 2021, and the disposal amount was NT\$124,319. The Company wrote off the initially recognized investment cost of NT\$12,388 and the cumulative unrealized valuation adjustment- gains recognized of NT\$111,932
6. The later application for a public offering by Brogent Technologies Inc., a company listed on TPEX, took effect. Therefore, the Company, in the first quarter of 2020, reclassified the holding of the shares from stocks of listed companies via private placement to stocks of listed companies, and the adjustments to the cost and valuation losses are NT\$432,000 and NT\$54,907, respectively.
7. Pacific Resources Corporation, an unlisted company, conducted a capital reduction to compensate the deficit in October 2021 with a capital reduction percentage of 77.5%. The Group's shares held decreased by 835,000 shares in proportion to the shareholding. Therefore, the initial cost of the holding and relevant value losses written off by the Company were both NT\$6,547.
8. The Company's board of directors approved the disposal of 5,308,868 shares of private placement shares of ORIENT SEMICONDUCTOR ELECTRONICS LTD., a TWSE-listed company, at \$11.59 per share on November 5, 2020 for NT\$61,530, and the Company offset the initial investment cost of NT\$71,208 and the cumulative unrealized valuation adjustment-loss of NT\$9,678. The transaction was completed in December 2020.
9. RT-MART International Co., Ltd. (hereinafter referred to as "RT-MART"), a non-publicly listed company, distributed cash dividends of NT\$122,503 from the capital surplus contributed by shareholders in November 2020, which was regarded as a decrease in the cost of the Company's initial holding. In addition, RT-Mart's shareholders' meeting, to adjust its capital structure and improve the return on shareholders' equity, approved to reduce the capital by 75.73% with a par value of NT10 per share on July 27, 2021. The capital returned to the Company for the capital reduction totaled NT\$127,438.

10. The Company's board of directors approved the disposal of all 4,085,139 shares of RT-Mart held by the Group on October 22, 2021 with the proceeds of NT\$1,303,338. As of March 15, 2022, the equity transfer had not been completed. The Company's initial holding cost and relevant valuation gains were NT\$128,717 and NT\$1,174,621, respectively, and were reclassified, based on their liquidity, to financial assets at fair value through other comprehensive income - current.
11. Please refer to Note 6(5) for the description of the conversion of the Company's convertible corporate bonds issued by Brogent Technologies Inc. into ordinary shares in November 2021.
12. Detail of the financial assets at fair value through other comprehensive income recognized under profit or loss and comprehensive income is as follows:

Item	2021	2020
Changes in fair value recognized as other comprehensive	<u>\$ 728,215</u>	<u>(\$ 241)</u>
Dividend incomes recognized in profit and loss	<u>\$ -</u>	<u>\$ 18,504</u>
Unrealized valuation (gains) losses on financial assets transferred to retained earnings due to disposal	<u>(\$ 111,932)</u>	<u>\$ 9,678</u>
Unrealized valuation losses on financial assets transferred to retained earnings due to derecognition	<u>\$ 6,547</u>	<u>\$ -</u>

13. For the status of the Company using the financial Assets at fair value through other comprehensive income as collateral for security, please refer to Note VIII.
14. For relevant credit risk information, please refer to Note 12(2).

(7) Financial Assets at amortized cost- non-Current

Item	December 31, 2021	December 31, 2020
Subordinated corporate bonds	<u>\$ 60,000</u>	<u>\$ 60,000</u>

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

	2021	2020
Interest revenue	<u>\$ 2,100</u>	<u>\$ 2,100</u>

2. Under the condition where the increase of collaterals or other credits held was not considered, for the most representing financial Assets at amortized cost held by the Company, the maximum exposure amount of credit risk on December 31, 2021 and 2020 was both NT\$ 60,000.
3. For the financial Assets at amortized cost held by the Company, there was no collateral provided as security.
4. For relevant credit risk information, please refer to Note 12(2).

(8) Investments accounted for using equity method

1. Details are as follows:

The investee company	Carrying amount	
	December 31, 2021	December 31, 2020
The listed asset accounts:		
<u>Subsidiaries</u>		
Ruentex Construction International (B.V.I.) Ltd. (Ruentex)	\$ 1,814,857	\$ 2,056,276
Ruentex Construction & Development Co., Ltd. (Ruentex Construction)	2,561,123	648,331
Ruentex Bai-Yi Development co., Ltd. (Ruentex Bai-Yi)	832,245	2,256,298
Ruentex Xu-Zhan Development co., Ltd. (Ruentex Xu-Zhan)	1,973,462	1,983,506
Ruentex Material Co., Ltd.(Ruentex Material)	175,744	189,737
Ruentex Security Co., Ltd. (Ruentex Security)	91,103	73,325
Ruentex Property Management & Maintenance Co. Ltd. (Ruentex Management)	45,461	40,585
Ruen Fu Newlife Corp. (Ruen Fu)	1,162	-
Ruentex Engineering & Construction Co., Ltd. (Ruentex Engineering)	1,771,448	984,538
Ruentex Innovative Development Co., Ltd. (Ruentex Development)	2,202,214	1,876,871
Ruentex Interior Design Inc. (Ruentex Design)	23,011	-
Less: Treasury stock	(3,190)	(3,190)
Subtotal	<u>11,488,640</u>	<u>10,106,277</u>
<u>Associates</u>		
Shing Yen Construction & Development Co., Ltd.. (Shing Yen)	294,800	295,475
Ruentex Industries Ltd. (Ruentex Industries)	9,910,887	9,886,552
Gin-Hong Investment Co., Ltd. (Gin-Hong)	1,090,494	690,904
Concord Greater China Ltd.(Concord)	854,718	4,348,924
Sunny Friend Environmental Technology Co., Ltd.(Sunny Friend)	869,113	865,560
Ruen Chen Investment Holdings Ltd. (Ruen Chen)	95,598,228	93,873,325
Nan Shan Life Insurance Co., Ltd. (Nan Shan Life Insurance)	1,121,541	1,114,185
Global Mobile Corp. (Global Mobile)	-	-
Subtotal	<u>109,739,781</u>	<u>111,074,925</u>

Total	<u>\$ 121,228,421</u>	<u>\$ 121,181,202</u>
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	<u>Carrying amount</u>	
<u>The investee company</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>The listed liability accounts (listed other liabilities – non-current):</u>		
<u>Subsidiaries</u>		
Ruen Fu Newlife Corp. (Ruen Fu)	<u>\$ -</u>	<u>(\$ 3,676)</u>

2. The investment shareholder percentage is as follows:

	<u>Shareholding percentage</u>	
<u>The investee company</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Subsidiaries</u>		
Ruentex	100.00%	100.00%
Ruentex Construction	100.00%	100.00%
Ruentex Bai-Yi Co., Ltd.	35.00%	100.00%
Ruentex Xu-Zhan	80.00%	80.00%
Ruentex Material	10.49%	10.49%
Ruentex Security	100.00%	100.00%
Ruentex Property	100.00%	100.00%
Ruen Fu	60.00%	60.00%
Ruentex Engineering	39.14%	39.14%
Ruentex Development	70.00%	70.00%
Ruentex Design	5.45%	-
<u>Associates</u>		
Shing Yen	45.45%	45.45%
Ruentex Industries	11.63%	11.63%
Gin-Hong	30.00%	30.00%
Concord	25.46%	25.46%
Sunny Friend	26.62%	26.62%
Ruen Chen	25.00%	25.00%
Nan Shan Life Insurance	0.23%	0.23%
Global Mobile	9.46%	9.46%

4. As of December 31, 2021 and 2020, the stocks of the Company held by the subsidiaries of the Company were treated as treasury stocks, and its detail is as follows:

<u>Company name</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Ruentex Engineering & Construction Co., Ltd.	<u>\$ 3,190</u>	<u>\$ 3,190</u>

1. Details of the share of profit or loss of subsidiaries and associates under equity method are as follows:

<u>The investee company</u>	<u>2021</u>	<u>2020</u>
<u>Subsidiaries</u>		
Ruentex	\$ 6,713	\$ 20,302
Ruentex Construction	91,315	(56,931)
Ruentex Bai-Yi Co., Ltd.	166,581	165,241
Ruentex Xu-Zhan	204,356	237,976
Ruentex Material	(9,116)	12,866
Ruentex Security	12,508	7,662
Ruentex Property	10,103	8,455
Ruen Fu	(7,262)	(6,430)
Ruentex Engineering	655,208	347,193
Ruentex Development	338,005	(19,945)
Ruentex Design	<u>956</u>	<u>-</u>
Subtotal	<u>1,469,367</u>	<u>716,389</u>
<u>Associates</u>		
Shing Yen	(1,170)	7,972
Ruentex Industries	1,370,103	682,025
Gin-Hong	16,824	42,296
Concord	24,884	58,518
Sunny Friend	251,536	264,589
Ruen Chen	13,131,701	7,981,947
Nan Shan Life Insurance	135,971	82,652
Global Mobile	<u>-</u>	<u>-</u>
Subtotal	<u>14,929,849</u>	<u>9,119,999</u>
Total	<u>\$ 16,399,216</u>	<u>\$ 9,836,388</u>

5. As of December 31, 2021 and 2020, among the investments accounted under equity method, the amounts for Jing-Hong, Concord, and Ruen Fu were measured based on the financial reports audited by other independent accountants.

6. Subsidiaries

- (1) Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2021 for more information on the Company's subsidiaries.
- (2) In order to improve financial structure and strengthen the operating capital, Ruen Fu

conducted a capital reduction for making-up losses in June, 2021, followed by a subsequent cash capital increase by issuing 1,999,995 new shares based on the plan, the Company paid NT\$12,000 for the new issue in proportion to its shareholding.

- (3) To develop the business and integrate resources, the Board of Directors of Ruentex Baiyi, in July 2021, approved to conduct a capital increase in cash by issuing 362,142,857 shares. The Company's Board of Directors, on August 12, 2021, approved to give up the right to subscribe for the shares issued in the cash capital increase by Ruentex Baiyi. After the capital increase, the Company's shareholding in Ruentex Baiyi decreased to 35%.
- (4) To develop the business and integrate resources to increase the operational performance, the Board of Directors of Ruentex Construction, in July 2021, approved to conduct a capital increase in cash by issuing 362,142,857 shares in the amount of NT\$3,621,429. The Company's Board of Directors approved, on August 12, 2021, to subscribe in full in proportion to its shareholding.
- (5) The Company subscribed for 735,862 shares issued in the cash capital increase by Ruentex Design in September 2021, in a total amount of NT\$22,076 with a direct shareholding of 5.45%. Because the Company's combined direct and indirect shareholding in Ruentex Design (through subsidiary Ruentex Material) decreased from 26.17% to 23.78% and recognized NT\$9,888 in capital surplus - changes in the ownership interests of subsidiaries recognized (including income tax effect of NT\$637).
- (6) To develop the Company's business and improve the use of the funds, the extraordinary shareholders' meeting of Ruentex Baiyi, in October 2021, passed a resolution to conduct a cash capital reduction and return the capital, and the Company received returned capital of NT\$1,250,000 in proportion to the shareholding. The record date of the capital reduction was November 1, 2021.
- (7) To improve the financial structure to compensate the deficit and to cooperate with the Company's business and improvement to the use of the funds, the Board of Directors of Ruentex Construction, on October 22, 2021, approved to conduct a capital reduction to compensate a deficit of NT\$763,418 and refund part of the share payments of NT\$1,956,755. The record date of the capital reduction is November 2, 2021.

7. Associates

(1) The basic information of primary associates of the Company is as follows:

Company name	Principal Place of Business	Shareholding percentage		Nature of relationship	Measurement method
		<u>December 31, 2021</u>	<u>December 31, 2020</u>		
Ruen Chen	Taiwan	25.00%	25.00%	Diversification	Equity method
Ruentex Industries	Taiwan	11.63%	11.63%	Diversification	Equity method

- (2) The summary on the consolidated financial information of primary associates of the Company is as follows:

Balance Sheet

	Ruen Chen	
	December 31, 2021	December 31, 2020
Current Assets	\$ 239,909,703	\$ 281,185,274
Non-current assets	5,039,698,374	4,879,285,008
Current Liabilities	(20,344,978)	(33,539,725)
Non-current liabilities	(4,826,311,038)	(4,701,209,668)
Total net assets (Note)	\$ 432,952,061	\$ 425,720,889
Portion of the net assets of associates	\$ 95,598,228	\$ 93,873,325

Note: Included in non-controlling interests in Ruen Chen Investment Holdings as of December 31, 2021 and 2020 were NT\$50,559,148 and NT\$50,227,590, respectively.

	Ruentex Industries	
	December 31, 2021	December 31, 2020
Current Assets	\$ 15,005,645	\$ 21,844,276
Non-current assets	133,268,236	131,827,773
Current Liabilities	(6,435,307)	(8,583,534)
Non-current liabilities	(31,851,997)	(29,482,021)
Total net assets (Note)	\$ 109,986,577	\$ 115,606,494
Portion of the net assets of associates	\$ 9,910,887	\$ 9,886,552

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

Statements of Comprehensive Income

	Ruen Chen	
	2021	2020
Income	\$ 570,159,159	\$ 579,075,147
Current Net Profit (Note 1)	58,697,320	35,695,200
Other comprehensive income (Net after tax)	(51,367,996)	104,899,215
Total Comprehensive Income Current Period (Note 2)	\$ 7,329,324	\$ 140,594,415

Note 1: Included the net combined income attributable to non-controlling interests in Ruen Chen Investment Holdings for the years ended December 31, 2021 and 2020, in the amount of NT\$6,170,517 and NT\$3,767,410, respectively.

Note 2: Included the net combined comprehensive Income attributable to non-controlling interests in Ruen Chen Investment Holdings for the years ended December 31, 2021 and 2020, in the amount of NT\$802,473 and NT\$13,807,892, respectively.

	Ruentex Industries	
	2021	2020
Income	\$ 2,695,981	\$ 2,736,394
Net income of current period	15,640,631	8,091,349
Other comprehensive income (Net after tax)	(14,917,997)	25,971,071
Total Comprehensive Income Current Period	\$ 722,634	\$ 34,062,420
Dividends received from associates	\$ 131,441	\$ 328,603

- (3) The summary on the share of individual insignificant associate's carrying amount and operating result of the Company is as follows:

As of December 31, 2021 and 2020, the total of the carrying amount of individual insignificant associate of the Company were NT\$4,230,666 and NT\$7,315,048 respectively.

	2021	2020
Net income of current period	\$ 59,739,537	\$ 37,008,366
Other comprehensive income (Net after tax)	(57,100,455)	101,076,286
Total Comprehensive Income Current Period	\$ 2,639,082	\$ 138,084,652

- (4) For the investments accounted for under equity method of the Company with public market price, their fair values are as follows:

	December 31, 2021	December 31, 2020
Ruentex Industries	\$ 8,330,096	\$ 4,580,732
Sunny Friend	5,920,591	6,914,775
	\$ 14,250,687	\$ 11,495,507

- (5) Ruen Chen Investment Holding conducted cash capital increase in July 2021 and July 2020 and the Company subscribed the new issued shares in proportion to its shareholding amounting NT\$90,000 and NT\$87,500.
- (6) Global Mobile was an investee of the Company with valuation under equity method - Ruentex Industries' investment under equity method. After the assessment of the Company, the Company had significant influence on Global Mobile; therefore, the investment under equity method was adopted to recognize such company. Global Mobile received a letter in March 2015 stating that its application for the extension of wireless broadband reception business was rejected by the competent authority. Global Mobile had filed appeal for its application according to the law, and subsequently, in November 2015, it received a letter informing that its appeal had been rejected by the competent authority such that its service was terminated in December of the same year. Global Mobile had filed appeal and subsequent litigation according to laws. However, based on the conservative and stable business principle of the Company, it had recognized an impairment loss in 2015 as NT\$ 5,247.

(7) To cope with the reinvestment planning and diverse operational needs, the Company invested in Nan Shan Life Insurance Co., Ltd. (referred to as “Nan Shan Life Insurance”) in 2010 through Ruen Chen Investment Holdings. Ruen Chen Investment Holdings executed capital increase by cash during the period from 2010 to 2011 respectively, and the total subscription amount of the Company according to the shareholding percentage was NT\$ 11,250,000. Regarding the aforementioned reinvestment of Ruen Chen Investment Holdings in Nan Shan Life Insurance, in accordance with the request of the competent authority, the Company delivered the Ruen Chen Investment Holdings stocks held to trust. The main provisions of such trust are as follows:

- A. Purpose of trust: After Ruen Chen Investment Holdings acquired the management right of Nan Shan Life Insurance, to satisfy the commitment in long-term operation and the promise for the vision of stable operation, the total of 612,500 thousand shares held by Ruen Chen Investment Holdings were transferred to the Trust Department of First Commercial Bank Co., Ltd. on September 5 and September 9, 2011 respectively, and trust registration was performed.
- B. Term of trust: The term of trust was ten years starting from the signing date of the trust contracts on September 5 and September 9, 2011 respectively.
- C. Management, use method and limitation to trust property:
 - (a) The management and use method for the trust property under this contract is for specific independent management and use. The trustee has no right to determine the use of the trust property. Unless otherwise specified in this contract, the trust property shall be managed properly according to the operating scope or method instructed by the trustor.
 - (b) The change of this contract shall be performed only after the joint negotiation of the trustor and trustee, followed by reporting to FSC for written approval.
 - (c) This contract shall become effective upon the signing of both parties. Unless otherwise specified in the laws or both parties agree otherwise, this contract is terminated due to the following matters along with the written consent of the competent authority:
 - (i) In case of the occurrence of breach of contract by any one party, the breaching party shall correct within 15 days from the date of notice by the other party. Any failure to correct beyond such period, the other party may terminate this contract and may claim damage indemnification.
 - (ii) Where there is an actual difficulty in the continuous management of the trust matter, it may be terminated based on the written consents of both parties.
 - (iii) Where the trustee is subject to dissolution, restructure, bankruptcy, revocation of establishment registration or being informed by the exchange office to be a rejected account, it shall inform the other party. Any one party may terminate this contract by informing the other party in writing.
 - (iv) When a creditor of the trustor files petition to the court to revoke the trust under this contract due to harms to its rights and such petition is confirmed.
 - (d) Once this contract is terminated, the trustor shall repay the trust management fee and all necessary fees as well as taxes to the trustee, and the trustee may deduct such fees from the trust property.
- D. As stated above, at the request of the competent authority, the Company delivered part of the shares of Ruen Chen Investment Holdings to a trust. However, as the

- trust period ended in September 2021, the trust property was already returned to the Company as per the trust deed.
- (8) As instructed by the FSC on June 13, 2016, the Company issued a letter of undertaking for the investment in Nan Shan General Insurance Company, Ltd. (Referred herein as “Nan Shan General Insurance”; originally named as Chartis Taiwan Insurance Co., Ltd.), and the undertaking is as follows:
 - A. The Company undertakes to request Nan Shan Life Insurance to ensure its long-term operation in handling the investment in Nan Shan General Insurance according to the laws and FSC's commitment.
 - B. The Company undertakes that after Nan Shan Life Insurance acquires 200,000,000 ordinary shares of Nan Shan General Insurance, i.e. 100% issued shares with voting rights, when Nan Shan General Insurance has the needs for capital increase at any time, the Company will request Nan Shan Life Insurance to handle the capital increase for Nan Shan General Insurance according to the laws and the request of the competent authority.
 - C. To fulfill the commitment of the Company and Ruen Chen Investment Holdings other shareholders on the long-term operation of Nan Shan General Insurance, in case where there is a need for capital increase for the Nan Shan General Insurance according to the laws or the request of competent authority such that new shares are to be issued for the capital increase, the Company and Ruen Chen Investment Holdings other shareholders undertake to request Nan Shan Life Insurance to hold at least a percentage of 51% on the number of outstanding ordinary shares.
 - (9) According to the instruction of FSC on November 15, 2017, regarding to the capital increase undertaking signed by Nan Shan Life Insurance, the Company undertakes to deliver cash at an amount of NT\$ 5,000,000 to Trust Department of Mega International Commercial Bank for custody, such that in the future, when Nan Shan Life Insurance needs to perform capital increase but Ruen Chen Investment Holdings cannot handle the capital increase, the Company agrees to deliver the aforementioned trust cash under custody in order to perform the capital increase by cash for Nan Shan Life Insurance through Ruen Chen Investment Holdings or via other methods agreed by the competent authority. In addition, it shall be sufficient to cover the capital increase amount required by Nan Shan Life Insurance. In case where there is any deficiency in the amount provided by other upper shareholders, the Company agrees to cover such deficiency. In addition, for the capital increase in cash to Nan Shan Life Insurance in June 2019 through Ruen Chen Investment Holdings, the payment was made by deposited cash in the amounts of NT\$4,995,758 and NT\$4,242.
 - (10) To meet the demands of reinvestment plan and diversified operations, in June 2019 the Company subscribed 29,670,000 shares of Nan Shan Life Insurance for NT\$474,720, for holding 0.23% of the total shares. As Nan Shan Life Insurance is the investee company accounted for the subsidiary of Ruen Chen Investment Holding, the Company is considered has a material influence to Nan Shan Life Insurance, and thus Nan Shan Life Insurance was recognized as the investment accounted with the equity method.
 - (11) In order to improve the use of funds, Jing-Hong conducted capital reductions in June 2021 and returned the capital to shareholders with a capital reduction percentage of 36.67%. The capital refunded to the Company in proportion to the shareholding was NT\$99,000.
8. The Company holds 11.63% of Ruentex Industries as the single largest shareholder of the company. Taking into account the attendance of past shareholders' meetings, it shows that

other shareholders are actively participating in Ruentex Industries' business decision-making. There are eight seats on the board of directors of Ruentex Development, the Company does not hold any seat, showing that the Company has no actual ability to lead Ruentex Industries activities. Therefore, it is judged that the Company has no control over it and only has significant influence.

9. The Company holds 26.62% of Sunny Friend as the single largest shareholder of the company. Taking into account the attendance of past shareholders' meetings, it shows that other shareholders are actively participating in Sunny Friend's business decision-making. There are seven seats on the board of directors of Ruentex Development, only two of which are occupied by the Company, showing that the Company has no actual ability to lead Sunny Friend activities. Therefore, it is judged that the Company has no control over it and only has significant influence.
10. For the status of collaterals provided for investments under equity method of the Company, please refer to Note 8.

(9) Property, plant, and equipment

	2021						
	Machinery and equipment	Warehouse equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending for inspection	Total
January 1							
Cost	\$ 89,752	\$ 34,312	\$ 28,112	\$ 31,974	\$ 177,232	\$ 94,792	\$ 456,174
Accumulated depreciation	(67,625)	(30,505)	(25,753)	(29,050)	(166,638)	-	(319,571)
	<u>\$ 22,127</u>	<u>\$ 3,807</u>	<u>\$ 2,359</u>	<u>\$ 2,924</u>	<u>\$ 10,594</u>	<u>\$ 94,792</u>	<u>\$ 136,603</u>
January 1	\$ 22,127	\$ 3,807	\$ 2,359	\$ 2,924	\$ 10,594	\$ 94,792	\$ 136,603
Addition	1,919	972	-	3,368	20,140	33,237	59,636
Transfer	12,974	16,202	-	-	97,163	(126,339)	-
Costs of disposal of assets	(9,981)	(23,628)	-	(1,130)	(122,916)	-	(157,655)
Accumulated depreciation on disposal date	9,558	22,982	-	1,129	122,808	-	156,477
Depreciation expense	(7,795)	(2,939)	(1,143)	(2,078)	(16,837)	-	(30,792)
December 31	<u>\$ 28,802</u>	<u>\$ 17,396</u>	<u>\$ 1,216</u>	<u>\$ 4,213</u>	<u>\$ 110,952</u>	<u>\$ 1,690</u>	<u>\$ 164,269</u>
December 31							
Cost	\$ 94,664	\$ 27,858	\$ 28,112	\$ 34,212	\$ 171,619	\$ 1,690	\$ 358,155
Accumulated depreciation	(65,862)	(10,462)	(26,896)	(29,999)	(60,667)	-	(193,886)
	<u>\$ 28,802</u>	<u>\$ 17,396</u>	<u>\$ 1,216</u>	<u>\$ 4,213</u>	<u>\$ 110,952</u>	<u>\$ 1,690</u>	<u>\$ 164,269</u>

2020

	Machinery and equipment	Warehouse equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction and equipment pending for inspection	Total
January 1							
Cost	\$ 91,956	\$ 32,317	\$ 28,112	\$ 30,302	\$ 183,878	\$ -	\$ 366,565
Accumulated depreciation	(68,409)	(30,609)	(21,830)	(28,988)	(170,805)	-	(320,641)
	<u>\$ 23,547</u>	<u>\$ 1,708</u>	<u>\$ 6,282</u>	<u>\$ 1,314</u>	<u>\$ 13,073</u>	<u>\$ -</u>	<u>\$ 45,924</u>
January 1	\$ 23,547	\$ 1,708	\$ 6,282	\$ 1,314	\$ 13,073	\$ -	\$ 45,924
Addition	4,419	2,940	-	2,555	1,779	94,792	106,485
Costs of disposal of assets	(6,623)	(945)	-	(883)	(8,425)	-	(16,876)
Accumulated depreciation on disposal date	6,623	730	-	883	8,063	-	16,299
Depreciation expense	(5,839)	(626)	(3,923)	(945)	(3,896)	-	(15,229)
December 31	<u>\$ 22,127</u>	<u>\$ 3,807</u>	<u>\$ 2,359</u>	<u>\$ 2,924</u>	<u>\$ 10,594</u>	<u>\$ 94,792</u>	<u>\$ 136,603</u>
December 31							
Cost	\$ 89,752	\$ 34,312	\$ 28,112	\$ 31,974	\$ 177,232	\$ 94,792	\$ 456,174
Accumulated depreciation	(67,625)	(30,505)	(25,753)	(29,050)	(166,638)	-	(319,571)
	<u>\$ 22,127</u>	<u>\$ 3,807</u>	<u>\$ 2,359</u>	<u>\$ 2,924</u>	<u>\$ 10,594</u>	<u>\$ 94,792</u>	<u>\$ 136,603</u>

(10) Lease transactions - lessees

1. The underlying asset leased by the Company are the land for hypermarket business and the Zhonglun office building and the term of lease is between 2020 and 2030. The lease contracts are negotiated individually, with different terms and conditions. The leased assets are neither to be used as collaterals for loans, nor the rights to be transferred to others in the form of business transfer or merge, among other forms.
2. The information of the right-of-use assets are as the following:

	<u>2021</u>	<u>2020</u>
	<u>Buildings - rent</u>	<u>Buildings - rent</u>
January 1		
- Cost	\$ 797,872	\$ 37,352
- Accumulated depreciation	(106,820)	(16,003)
	<u>\$ 691,052</u>	<u>\$ 21,349</u>
January 1	\$ 691,052	\$ 21,349
Addition-Newly added lease contracts	89,058	760,520
Cost of derecognition	(37,352)	-
Accumulated depreciation, derecognized	37,352	-
Depreciation expense	(92,017)	(90,817)
December 31	<u>\$ 688,093</u>	<u>\$ 691,052</u>
December 31		
- Cost	\$ 849,578	\$ 797,872
- Accumulated depreciation	(161,485)	(106,820)
	<u>\$ 688,093</u>	<u>\$ 691,052</u>

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Total amount of lease liabilities	\$ 707,446	\$ 707,784
Less: Due within one year (listed as "Lease liabilities - Current")	(90,841)	(85,931)
	<u>\$ 616,605</u>	<u>\$ 621,853</u>

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

	2021	2020
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	\$ 8,769	\$ 9,117
Expenses of short-term lease contracts	<u>4,140</u>	<u>5,663</u>
	<u>\$ 12,909</u>	<u>\$ 14,780</u>

5. The Company's total lease cash outflows were NT\$102,305 and NT\$88,996 in 2021 and 2020, respectively, which consisted of NT\$4,140 and NT\$5,663 for short-term lease contracts; NT\$8,769 and NT\$9,117 for interest expense on lease liabilities; and NT\$89,396 and NT\$74,216 for lease principal repayments.

(11) Investment Real Estate

	2021		
	Land	Buildings	Total
January 1			
Cost	\$ 1,008,724	\$ 1,365,678	\$ 2,374,402
Accumulated depreciation	<u>-</u>	<u>(421,202)</u>	<u>(421,202)</u>
	<u>\$ 1,008,724</u>	<u>\$ 944,476</u>	<u>\$ 1,953,200</u>
January 1	\$ 1,008,724	\$ 944,476	\$ 1,953,200
Depreciation expense	<u>-</u>	<u>(28,027)</u>	<u>(28,027)</u>
December 31	<u>\$ 1,008,724</u>	<u>\$ 916,449</u>	<u>\$ 1,925,173</u>
December 31			
Cost	\$ 1,008,724	\$ 1,365,678	\$ 2,374,402
Accumulated depreciation	<u>-</u>	<u>(449,229)</u>	<u>(449,229)</u>
	<u>\$ 1,008,724</u>	<u>\$ 916,449</u>	<u>\$ 1,925,173</u>

	2020		
	Land	Buildings	Total
January 1			
Cost	\$ 1,008,724	\$ 1,365,678	\$ 2,374,402
Accumulated depreciation	-	(393,175)	(393,175)
	<u>\$ 1,008,724</u>	<u>\$ 972,503</u>	<u>\$ 1,981,227</u>
January 1	\$ 1,008,724	\$ 972,503	\$ 1,981,227
Depreciation expense	-	(28,027)	(28,027)
December 31	<u>\$ 1,008,724</u>	<u>\$ 944,476</u>	<u>\$ 1,953,200</u>
December 31			
Cost	\$ 1,008,724	\$ 1,365,678	\$ 2,374,402
Accumulated depreciation	-	(421,202)	(421,202)
	<u>\$ 1,008,724</u>	<u>\$ 944,476</u>	<u>\$ 1,953,200</u>

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

	2021	2020
Rental income from investment real estate	<u>\$ 37,034</u>	<u>\$ 38,020</u>
The direct operating expenses of the investment properties not incurred during the current period	<u>\$ 28,217</u>	<u>\$ 28,209</u>

2. The fair value of the investment real estate held by the Company as at December 31, 2021 and 2020 was NT\$3,093,495 and NT\$2,935,084, respectively, which was categorized at Level 3 fair value. The aforementioned fair value was obtained according to the assessment on market transaction price of relevant similar real estate in the neighboring areas.

3. For the status of the collaterals provided for investment real estate held by the Company, please refer to Note 8.

(12) Other non-current Assets

	December 31, 2021	December 31, 2020
Other financial assets	\$ 129,116	\$ 98,309
Others	<u>3,686</u>	<u>3,101</u>
	<u>\$ 132,802</u>	<u>\$ 101,410</u>

For the collateral status for other financial assets of the Company, please refer to Note 8.

(13) Short-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Credit bank loan	\$ 1,300,000	\$ 1,800,000
Secured bank loan	<u>300,000</u>	<u>300,000</u>
	<u>\$ 1,600,000</u>	<u>\$ 2,100,000</u>
Interest rate collars	0.91% ~ 0.97%	0.87% ~ 1.03%

In addition to the collateral provided for the short-term borrowings as described in Note 8, the Company also issued the guarantee notes of the amount as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Guarantee notes	<u>\$ 7,845,000</u>	<u>\$ 7,485,000</u>

(14) Short-term bills payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Commercial papers payable	\$ 4,080,000	\$ 4,360,000
Less: Unamortized discount	<u>(1,693)</u>	<u>(1,088)</u>
	<u>\$ 4,078,307</u>	<u>\$ 4,358,912</u>
Interest rate collars	0.28% ~ 0.86%	0.25% ~ 0.76%

In addition to the collateral provided for the short-term bills as described in Note 8, the Company also issued the guarantee notes of the amount as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Guarantee notes	<u>\$ 6,160,000</u>	<u>\$ 8,350,000</u>

(15) Long-term borrowings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Secured bank loan	\$ 10,560,000	\$ 9,354,000
Credit bank loan	<u>12,860,000</u>	<u>15,146,000</u>
	23,420,000	24,500,000
Less: Arrangement fees for leading banks of syndicated loan	<u>(922)</u>	<u>(3,089)</u>
	23,419,078	24,496,911
Face value of long term commercial bills	4,765,000	1,715,000
Less: Unamortized discount	<u>(2,384)</u>	<u>(2,488)</u>
	28,181,694	26,209,423
Less: Due within one year	<u>(3,349,822)</u>	<u>(5,912,512)</u>
Due within one operating cycle	<u>(50,000)</u>	<u>(50,000)</u>
	<u>\$ 24,781,872</u>	<u>\$ 20,246,911</u>
Interest rate collars	0.27% ~ 1.50%	0.25% ~ 1.50%

1. The Company signed a syndicated loan agreement with a bank group including Land Bank of Taiwan in July 2010 to provide the financing for the construction of the Company. The term of loan was from July 2014 to July 2026, the total loan amount was NT\$ 4,600,000. Up to the date of December 31, 2021, the Company has drawn the credit amount of the contract performance guarantee letter at an amount of NT\$ 194,036. The main commitments of the Company are as follows:

- (1) The Company shall use the loan amount obtained under this agreement in the purpose of credit extension for payment specified in this agreement, and shall prepare accounting books and records as well as certificates for recordation.
- (2) The Company shall provide the consolidated financial report audited by independent director as well as audited consolidated and unconsolidated financial reports within 60 days and 120 days after the first half and the end of each fiscal year respectively.
- (3) Before obtaining the prior consents of all members of the syndicated loan banks, the Company shall not merger with others or demerger the Company according to the Company Act. However, where the Company is a survival company (after merger) and the merger result has no adverse impacts on its ability to perform obligations under this agreement, then such restriction shall not be applied.

2. The Company signed a long-term loan agreement with Chang Hwa Commercial Bank in November 2012 to provide the financing for the construction of the Company. The term of the loan was from November 2012 to March 2021, the total loan amount was NT\$

7,576,000. The above loans were fully repaid in July 2020.

3. The Company signed a long-term borrowing contract with Mega International Commercial Bank in April 2018 for its operating funds, and the loan period is from April 2018 to May 2022 with a credit line of NT\$7,500,000. As of December 31, 2021, the facility drawn was NT\$4,900,000.
4. The Company signed a syndicated loan agreement with the financial institution group including Mega Bills in December 2018 to provide the operational financing necessary for the Company. The original term of the loan was from December 2018 to December 2021, and the Company extended the term to December 2023 in October 2021. The total loan amount was NT\$2,450,000. Up to the date of December 31, 2021, the Company has drawn down the credit amount of NT\$1,715,000. The main commitments of the Company are as follows:
 - (1) The Company shall use the loan amount obtained under this agreement in the purpose of credit extension for payment specified in this agreement, and shall prepare accounting books and records as well as certificates for recordation.
 - (2) The Company shall provide consolidated and unconsolidated financial reports audited by independent auditor within 120 days after the end of each fiscal year.
 - (3) The Company shall maintain the interest protection multiples above 3 times and the tangible net worth above NT\$ 18,000,000. The aforementioned ratio and standard shall be based on the annual consolidated financial report audited by independent auditor. If the Company fails to comply with the aforementioned financial ratio or restrictive terms, starting from the date of violation, the Company shall pay compensation fee calculated at 0.1% of the outstanding balance for each loan bank until the date when the Company has been examined to completely improve the financial commitments such that the compensation fee is then stopped without further calculation.
5. The Company signed a long-term loan agreement with Chang Hwa Commercial Bank in July 2020 to provide the financing for the construction of the Company. The term of the loan was from July 2020 to July 2023, the total loan amount was NT\$ 4,900,000. Up to the date of December 31, 2021, the Company has drawn NT\$1,270,000.
6. The Company signed a long-term borrowing contract with Bank of Taiwan in September 2021 for its operating funds, and the loan period is from October 2021 to September 2024 with a credit line of NT\$5,000,000. As of December 31, 2021, the facility drawn was NT\$1,500,000.
7. Except items described above, the loan period for the remaining borrowings is from February 2016 to December 2027.

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Guarantee notes	<u>\$ 42,410,550</u>	<u>\$ 34,075,600</u>

9. Detail of the long-term loan credit not yet drawn down by the Company is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Due within one year	\$ 1,600,000	\$ 735,000
Due longer than one year	<u>21,031,606</u>	<u>13,616,856</u>
	<u>\$ 22,631,606</u>	<u>\$ 14,351,856</u>

(16)Pensions

- 1.(1) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. In addition, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.

- (2) The amounts recognized in the balance sheet are determined as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligation	(\$ 125,789)	(\$ 124,969)
Fair value of plan assets	<u>69,108</u>	<u>66,050</u>
Defined benefit liability(listed as other non-current liabilities)	<u>(\$ 56,681)</u>	<u>(\$ 58,919)</u>

(3) Movements in net defined benefit liabilities are as follows:

	2021		
	<u>Defined benefit obligation current value</u>	<u>Plan assets fair value</u>	<u>Net affirmed benefit liabilities</u>
Balance, January 1	(\$ 124,969)	\$ 66,050	(\$ 58,919)
Current service cost	(313)	-	(313)
Interest (expense) revenue	(370)	196	(174)
	<u>(125,652)</u>	<u>66,246</u>	<u>(59,406)</u>
Re-measurements:			
Returns on plan assets (the amounts included in the interest incomes or expenses are excluded)	-	984	984
Effects of changes in demographic assumptions	(157)	-	(157)
Effects of changes in economic assumptions	3,515	-	3,515
Experience adjustments	(3,977)	-	(3,977)
	<u>(619)</u>	<u>984</u>	<u>365</u>
Contribution to pension fund	-	2,360	2,360
Payment of pension benefits	482	(482)	-
Balance, December 31	<u>(\$ 125,789)</u>	<u>\$ 69,108</u>	<u>(\$ 56,681)</u>
	2020		
	<u>Defined benefit obligation current value</u>	<u>Plan assets fair value</u>	<u>Net affirmed benefit liabilities</u>
Balance, January 1	(\$ 123,507)	\$ 65,798	(\$ 57,709)
Current service cost	(567)	-	(567)
Interest (expense) revenue	(853)	456	(397)
	<u>(124,927)</u>	<u>66,254</u>	<u>(58,673)</u>
Re-measurements:			
Returns on plan assets (the amounts included in the interest incomes or expenses are excluded)	-	2,190	2,190
Effects of changes in demographic assumptions	(112)	-	(112)
Effects of changes in economic assumptions	(4,084)	-	(4,084)
Experience adjustments	(646)	-	(646)
	<u>(4,842)</u>	<u>2,190</u>	<u>(2,652)</u>
Contribution to pension fund	-	2,406	2,406
Payment of pension benefits	4,800	(4,800)	-
Balance, December 31	<u>(\$ 124,969)</u>	<u>\$ 66,050</u>	<u>(\$ 58,919)</u>

- (4) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 Paragraph 142. The composition of fair value of plan Assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.
- (5) The principal actuarial assumptions used were as follows:

	<u>2021</u>	<u>2020</u>
Discount rate	0.65%	0.30%
Future salary increase in percent	2.00%	2.00%

The future mortality rates in 2021 and 2020 were estimated based on the 6th and 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increase in percent</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2021				
The impact on the present value of defined benefit obligations	<u>(\$ 2,443)</u>	<u>\$ 2,521</u>	<u>\$ 2,481</u>	<u>(\$ 2,417)</u>
December 31, 2020				
The impact on the present value of defined benefit obligations	<u>(\$ 2,581)</u>	<u>\$ 2,665</u>	<u>\$ 2,614</u>	<u>(\$ 2,545)</u>

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may

change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of sensitivity analysis the current period are the same as the ones of the previous period.

- (6) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2022 amounts to NT\$1,829.
- (7) As of December 31, 2021, the weighted average duration of that retirement plan is 7 years. The analysis of timing of the future pension payment was as follows:

Less than 1 year	\$	4,255
1-2 years		12,216
2-5 years		23,853
More than 5 years		91,090
	\$	<u>131,414</u>

- 2.(1) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (2) The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2021 and 2020 were NT\$8,958 and NT\$8,839, respectively.

(17) Capital

1. As of December 31, 2021, the Company’s authorized capital was NT\$30,000,000, and the paid-in capital was NT\$21,068,334 (including share capital of convertible corporate bonds of NT\$384,539) with a par value of NT\$10 per share, all issued as ordinary shares. All proceeds from shares issued have been collected.

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

	<u>2021</u>	<u>2020</u>
January 1	1,504,881	1,003,254
Capitalization From Earnings	<u>601,952</u>	<u>501,627</u>
December 31	<u>2,106,833</u>	<u>1,504,881</u>

2. In order to adjust the capital structure of the Company and to improve the return on shareholders' equity, on June 9, 2020, through the resolution of shareholders' meeting, the Company executed capital increase for issuance of new shares based on the undistributed earnings NT\$5,016,270, and was approved by the competent authority, following which the alternation registration was completed on September 15, 2020.
3. The Company's shareholders' meeting reached the resolution threshold through electronic voting on June 12, 2021 and resolved on, July 23, 2021, to conduct capitalization of the undistributed earnings of NT\$6,019,524 by issuing new shares. It was reported to and approved by the competent authority, and the change registration was completed on October 13, 2021.
4. The treasury shares Ruentex Engineering & Construction accounted for by the Company refer to the subsidiary of the Company - Ruentex Engineering & Construction holding shares of the Company for the purpose of protecting the interests of the shareholders and the treasury shares for the associate of the Company - Ruentex Industries. as of December 31, 2021 and 2020, Ruentex Engineering & Construction held 7,195 thousand shares and 5,139 thousand shares, respectively. The information on their respective amounts is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Ruentex Engineering & Construction Co., Ltd.	\$ 19,984	\$ 19,984
Amount accounted for using equity method	<u>64,655</u>	<u>64,655</u>
	<u>\$ 84,639</u>	<u>\$ 84,639</u>

(18) Capital surplus

1. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
2. According to the regulation specified in Jing-Shang-Zi No.10202420460 Letter of MOEA dated July 15, 2013, under the financial statements prepared by corporates according to IFRSs, when the change of ownership equity of the parent on the subsidiary

causes it to lose the control power, for the capital surplus generated due to the difference between the equity price and carrying value, the regulation of Paragraph 1 of Article 241 of the Company Act specifying the income derived from the issuance of new shares at a premium may be applicable. In addition, according to Jing-Shang-Zi No. 10300532520 of MOEA dated March 31, 2014, for the capital surplus actually acquired as recorded or the difference between the disposal of subsidiary's equity and carrying value, Article 241 of the Company Act may be applicable in order to use it for issuance of new shares or cash.

3. Change of capital surplus is as follows:

2021							
	<u>Issued at premium</u>	<u>Treasury share transactions</u>	<u>Dividends unclaimed by shareholders with claim period elapsed</u>	<u>Changes in the associates' net value of equity</u>	<u>Difference between the equity price and the book value of actual acquisition or disposition of subsidiaries</u>	<u>Changes in the ownership interests of subsidiaries as recognized</u>	<u>Total</u>
January 1	\$ 17,283,659	\$ 136,626	\$ 12,263	\$ 553,916	\$ 1,535	\$ 159,192	\$ 18,147,191
Others	-	-	(259)	4,225	-	10,525	14,491
Income tax effect	-	-	-	(247)	-	(637)	(884)
December 31	<u>\$ 17,283,659</u>	<u>\$ 136,626</u>	<u>\$ 12,004</u>	<u>\$ 557,894</u>	<u>\$ 1,535</u>	<u>\$ 169,080</u>	<u>\$ 18,160,798</u>

2020							
	<u>Issued at premium</u>	<u>Treasury share transactions</u>	<u>Dividends unclaimed by shareholders with claim period elapsed</u>	<u>Changes in the associates' net value of equity</u>	<u>Difference between the equity price and the book value of actual acquisition or disposition of subsidiaries</u>	<u>Changes in the ownership interests of subsidiaries as recognized</u>	<u>Total</u>
January 1	\$ 17,283,659	\$ 136,626	\$ 12,614	\$ 542,776	\$ 1,535	\$ 159,192	\$ 18,136,402
Others	-	-	(351)	11,851	-	-	11,500
Income tax effect	-	-	-	(711)	-	-	(711)
December 31	<u>\$ 17,283,659</u>	<u>\$ 136,626</u>	<u>\$ 12,263</u>	<u>\$ 553,916</u>	<u>\$ 1,535</u>	<u>\$ 159,192</u>	<u>\$ 18,147,191</u>

(19) Retained earnings

1. According to the Company's Articles of Incorporation, the Current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses and then 10% of the remaining amount shall be set aside as legal reserve, following which special reserve shall be set aside or reversed according to the laws. If there are still remaining earnings, the remainder shall be combined with the prior year's accumulated retained earnings, and the board of directors shall establish earnings distribution proposal for submission to the

shareholders' meeting for resolution on the retention or distribution thereof. 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.

2. Except for covering accumulated deficit or issuing new stocks or cash to shareholder in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- 3.(1) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (2) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi No. 1010012865 Letter dated April 6, 2012, shall be reversed proportionately when the relevant Assets are used, disposed of or reclassified subsequently.
4. (1) The Company's shareholders' meeting reached the resolution threshold through electronic voting on June 12, 2021 and resolved on, July 23, 2021, to distribute 2020 earnings. The shareholders' meeting passed the 2020 earnings distribution proposal on June 9, 2020. The details are as follows:

	<u>2020</u>		<u>2019</u>	
	<u>Amount</u>	<u>Dividend per share (NTD)</u>	<u>Amount</u>	<u>Dividend per share (NTD)</u>
Legal reserve	\$ 845,886		\$ 656,143	
Special reserve	-		(29,015,899)	
Cash dividends	1,504,881	\$ 1.00	1,003,254	\$ 1.00
Share dividend	<u>6,019,524</u>	4.00	<u>5,016,270</u>	5.00
Total	<u>\$ 8,370,291</u>		<u>(\$22,340,232)</u>	

5. Change of undistributed earnings is as follows:

	<u>2021</u>
January 1, 2021	\$ 37,360,519
Appropriation and distribution of retained earnings of 2020:	
- Legal reserve	(845,886)
- Share dividend	(6,019,524)
- Cash dividend	(1,504,881)
Unrealized valuation gains on financial assets transferred to retained earnings due to disposal	111,932
Unrealized valuation losses on financial assets transferred to retained earnings due to derecognition.	(6,547)
Changes in associates & joint ventures accounted for using equity method	3,578
Disposal of equity instruments at fair value through other comprehensive income by the associates	7,750
Net income of current period	16,242,546
Remeasurements of defined benefit plans with actuarial valuation	365
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	80,937
Income tax relating to items that will not be reclassified:	
- Tax related to the group	(425)
- Tax related to the associates	(577)
December 31, 2021	<u>\$ 45,429,787</u>
	<u>2020</u>
January 1, 2020	\$ 6,561,429
Appropriation and distribution of retained earnings of 2019:	
- Legal reserve	(656,143)
- Special reserve	29,015,899
- Share dividend	(5,016,270)
- Cash dividend	(1,003,254)
Unrealized valuation losses on financial assets transferred to retained earnings due to disposal	(9,678)
Disposal of equity instruments at fair value through other comprehensive income by the associates	3,887
Net income of current period	8,557,651
Remeasurements of defined benefit plans with actuarial valuation	(2,652)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(91,662)
Income tax relating to items that will not be reclassified:	
- Tax related to the group	633
- Tax related to the associates	679
December 31, 2020	<u>\$ 37,360,519</u>

(20) Other equity items

	<u>Unrealized valuation income and loss</u>	<u>Foreign currency translation</u>	<u>Hedging reserve</u>	<u>By the overlay approach Reclassification</u>	<u>Total</u>
January 1, 2021	\$ 27,411,106	(\$ 500,649)	\$ 6	\$ 11,881,669	\$ 38,792,132
Unrealized valuation profit or loss of financial assets:					
- The Company	728,215	-	-	-	728,215
- Tax related to the Company	(41,785)	-	-	-	(41,785)
- Subsidiaries and associates (Note 1)	(18,520,173)	-	-	-	(18,520,173)
- Subsidiaries and associates	273,775	-	-	-	273,775
- Unrealized valuation losses transferred to retained earnings due to disposal (Note 2)	(105,385)	-	-	-	(105,385)
- Changes of disposing associates (Note 1)	(7,750)	-	-	-	(7,750)
Foreign currency translation differences:					
- The Company	-	(168,399)	-	-	(168,399)
- Tax related to the Company	-	33,680	-	-	33,680
- Subsidiaries and associates	-	(22,296)	-	-	(22,296)
- Subsidiaries and associates	-	1,287	-	-	1,287
Cash flow hedge:					
- Associate	-	-	-	-	-
Reclassification by the overlay approach:					
- Associates (Note 1)	-	-	-	5,537,295	5,537,295
- Tax related to the associates	-	-	-	(39,045)	(39,045)
December 31, 2021	<u>\$ 9,738,003</u>	<u>(\$ 656,377)</u>	<u>\$ 6</u>	<u>\$ 17,379,919</u>	<u>\$ 26,461,551</u>

	<u>Unrealized valuation</u> <u>income and loss</u>	<u>Foreign currency</u> <u>translation</u>	<u>Hedging reserve</u>	<u>By the overlay</u> <u>approach Reclassification</u>	<u>Total</u>
January 1, 2020	\$ 12,510,399	(\$ 180,243)	\$ 75	\$ 576,781	\$ 12,907,012
Unrealized valuation profit or loss of financial assets:					
- The Company	(241)	-	-	-	(241)
- Tax related to the Company	(567)	-	-	-	(567)
- Subsidiaries and associates (Note 1)	14,944,204	-	-	-	14,944,204
- Subsidiaries and associates	(48,480)	-	-	-	(48,480)
- Unrealized valuation losses transferred to retained earnings due to disposal (Note 2)	9,678	-	-	-	9,678
- Changes of disposing associates (Note 1)	(3,887)	-	-	-	(3,887)
Foreign currency translation differences:					
- The Company	-	(349,826)	-	-	(349,826)
- Tax related to the Company	-	69,965	-	-	69,965
- Subsidiaries and associates	-	(43,024)	-	-	(43,024)
- Subsidiaries and associates	-	2,479	-	-	2,479
Cash flow hedge:					
- Associate	-	-	(69)	-	(69)
Reclassification by the overlay approach:					
- Associates (Note 1)	-	-	-	11,385,169	11,385,169
- Tax related to the associates	-	-	-	(80,281)	(80,281)
December 31, 2020	<u>\$ 27,411,106</u>	<u>(\$ 500,649)</u>	<u>\$ 6</u>	<u>\$ 11,881,669</u>	<u>\$ 38,792,132</u>

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

Note 2: Please refer to Note 6 (6) for details.

(21) Operation income

	<u>2021</u>	<u>2020</u>
Revenue from contracts with customers:		
Revenue from sales of real estate	\$ 3,876,172	\$ 3,653,384
Revenue from sales of goods	<u>1,053,093</u>	<u>1,054,565</u>
Subtotal	4,929,265	4,707,949
Rental income	<u>37,034</u>	<u>38,020</u>
	<u>\$ 4,966,299</u>	<u>\$ 4,745,969</u>

1. Detail of customer contract income

The income of the Company comes from the real estate and goods transferred at a certain time point, and the income detail can be classified into the following main product lines and geographical area:

	<u>Taiwan</u>		
<u>2021</u>	<u>Construction business</u>	<u>Hypermarket business</u>	<u>Total</u>
Departmental revenue	<u>\$ 3,876,172</u>	<u>\$ 1,053,093</u>	<u>\$ 4,929,265</u>
Timing of revenue recognition			
Revenue recognized at a point in time	<u>\$ 3,876,172</u>	<u>\$ 1,053,093</u>	<u>\$ 4,929,265</u>
	<u>Taiwan</u>		
<u>2020</u>	<u>Construction business</u>	<u>Hypermarket business</u>	<u>Total</u>
Departmental revenue	<u>\$ 3,653,384</u>	<u>\$ 1,054,565</u>	<u>\$ 4,707,949</u>
Timing of revenue recognition			
Revenue recognized at a point in time	<u>\$ 3,653,384</u>	<u>\$ 1,054,565</u>	<u>\$ 4,707,949</u>

2. Contract liabilities

Contract liabilities related to customer contract income recognized by the Company are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>January 1, 2020</u>
Contract liability:			
Contract liability - Sales contract for real estate	\$ 2,300,197	\$ 1,536,339	\$ 482,424
Contract liability - Sales contract for goods	<u>2,493</u>	<u>2,193</u>	<u>1,529</u>
Total	<u>\$ 2,302,690</u>	<u>\$ 1,538,532</u>	<u>\$ 483,953</u>

(22) Operation Cost

	2021	2020
Cost of sales of real estate	\$ 3,191,851	\$ 2,766,817
Cost of sales of goods	780,020	789,946
Rental cost	28,217	28,209
	<u>\$ 4,000,088</u>	<u>\$ 3,584,972</u>

(23) Interest revenue

	2021	2020
Interest on cash in banks	\$ 8,189	\$ 32,264
Imputed interest for deposit	36	46
Financial Assets at amortized cost		
Interest revenue	2,100	2,100
Other interest income	-	1
	<u>\$ 10,325</u>	<u>\$ 34,411</u>

(24) Other income

	2021	2020
Dividend income	\$ -	\$ 18,504
Other income	19,387	11,512
	<u>\$ 19,387</u>	<u>\$ 30,016</u>

(25) Other gains and losses

	2021	2020
Gain on financial assets at fair value through profit or loss	\$ 12,018	\$ 3,427
Loss on disposal of property, plant and equipment	(566)	(535)
Net foreign exchange loss	(76,912)	(120,488)
Others	(49,242)	(44,938)
	<u>(\$ 114,702)</u>	<u>(\$ 162,534)</u>

(26) Financial costs

	2021	2020
Interest expense:		
Bank loan and short-term notes and bills	\$ 307,902	\$ 369,017
Lease liabilities	8,769	9,117
	316,671	378,134
Less: Assets eligible for capitalization	(54,898)	(43,683)
	\$ 261,773	\$ 334,451

(27) Additional information of expenses by nature

	2021	2020
Changes in merchandise inventory	\$ 3,971,871	\$ 3,556,763
Employee benefit expense	381,554	370,208
Depreciation expenses for real estate properties, plants, equipment	30,792	15,229
Depreciation expenses for investment properties	28,027	28,027
Depreciation expenses for right-of-use assets	92,017	90,817
Rent expense	4,140	5,663
Tax expense	59,321	50,269
Advertisement expense	136,534	138,295
Expected credit impairment (losses) gains	192	(52)
Other expense	202,428	187,845
Operating costs and expenses	\$ 4,906,876	\$ 4,443,064

(28) Employee benefit expense

	2021	2020
Wages and salaries	\$ 297,815	\$ 287,367
Labor and Health Insurance costs	20,839	19,481
Pension expense	9,445	9,803
Directors' Remuneration	45,144	43,457
Other employment fees	8,311	10,100
	\$ 381,554	\$ 370,208

1. In accordance with the Articles of Incorporation of the Company, when the Company has a profit in a fiscal year, 0.3% to 5% of such profit shall be distributed as the employees' compensation; however, when the Company still has accumulated losses, amount still be reserved in advance to make up the losses. The remuneration to employees as stated in the preceding paragraph can be paid in cash or with stock dividends, and the object of distribution must include employees of the subordinate company that meet certain conditions.
2. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at NT\$48,496 and NT\$29,201, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation was estimated and accrued based on 0.3% of distributable profit of Current year for the year ended December 31, 2021. The employees' compensation resolved by the board of directors was NT\$48,496, which will be distributed in the form of cash.

Employees' compensation of 2020 as resolved by the board of directors was in agreement with the amount of NT\$29,201 recognized in the 2020 financial statements. The aforementioned employees' compensation was distributed in the form of cash.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the board of directors and the shareholders at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

1. Income tax (benefit) expense
 - (1) Components of income tax (benefit) expense:

	2021	2020
Current income tax:		
Income tax occurred in the current period	\$ 310,007	\$ -
Land value increment tax	72,708	80,096
Income tax imposed on undistributed earnings	4,429	1,083,486
Underestimate (Overestimate) of income tax for prior years	(18,908)	14
Total income tax for current period	368,236	1,163,596

Deferred income tax:

Origination and reversal of temporary

differences (493,868) (16,707)

Total deferred income tax (493,868) (16,707)

Income tax (benefit) expense (\$ 125,632) \$ 1,146,889

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

	2021	2020
Changes in unrealized valuation profit or loss	(\$ 41,785)	(\$ 567)
Portion of other comprehensive income from the subsidiaries from the associates	236,017	(126,282)
Differences on translation of foreign operations	33,680	69,965
Remeasurements of defined benefit obligation	(1,002)	1,312
	<u>\$ 226,910</u>	<u>(\$ 55,572)</u>

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

	2021	2020
Capital surplus	<u>(\$ 884)</u>	<u>(\$ 711)</u>

2. Reconciliation between income tax expense (benefit) and accounting profit

	2021	2020
Imputed income taxes on pretax income at statutory tax rate	\$ 3,223,383	\$ 1,940,908
Expenses to be excluded as stipulated in the tax law	22,436	35,196
Income with exemption from tax as stipulated in the tax law	(3,465,861)	(2,052,608)
Tax loss on unrealizable deferred income tax assets	-	81,277
Temporary differences on unrealized deferred income tax assets (liabilities)	(57)	232
Realizability evaluation on deferred income tax assets	36,238	(21,712)
Income tax imposed on undistributed earnings	4,429	1,083,486
Land value increment tax	72,708	80,096
Underestimate (Overestimate) of income tax for prior years	(18,908)	14
Income tax (benefit) expense	<u>(\$ 125,632)</u>	<u>\$ 1,146,889</u>

3. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2021				
	<u>January 1</u>	<u>Recognized in profit and loss</u>	<u>Recognized in other comprehensive income</u>	<u>Recognized in equity</u>	<u>December 31</u>
Temporary differences:					
- Deferred income tax assets:					
Loss for market price decline and obsolete and slow-moving inventories	\$ 1,824	(\$ 268)	\$ -	\$ -	\$ 1,556
Pension exceeding the limits	9,838	(375)	-	-	9,463
Deferred promotion expenses	31,545	13,637	-	-	45,182
Valuation loss	315	-	-	-	315
Domestic investment loss	68,659	(36,146)	-	-	32,513
Unrealized incomes among affiliates	8,181	2,687	-	-	10,868
Allowance for bad debt exceeding the limits	-	29	-	-	29
Unrealized foreign exchange losses	1,405	2,219	-	-	3,624
Differences on translation of foreign operations	77,441	-	33,680	-	111,121
Remeasurements of defined benefit obligation	<u>4,674</u>	<u>-</u>	<u>(1,002)</u>	<u>-</u>	<u>3,672</u>
Subtotal	<u>203,882</u>	<u>(18,217)</u>	<u>32,678</u>	<u>-</u>	<u>218,343</u>
- Deferred income tax liabilities:					
Foreign investment gain	(1,238,577)	512,085	-	-	(726,492)
Changes in unrealized valuation profit or loss	(62,642)	-	(41,785)	-	(104,427)
Portion of other comprehensive income from the subsidiaries from the associates	(354,378)	-	236,017	-	(118,361)
Capital surplus	<u>(39,500)</u>	<u>-</u>	<u>-</u>	<u>(884)</u>	<u>(40,384)</u>
Subtotal	<u>(1,695,097)</u>	<u>512,085</u>	<u>194,232</u>	<u>(884)</u>	<u>(989,664)</u>
Total	<u>(\$ 1,491,215)</u>	<u>\$ 493,868</u>	<u>\$ 226,910</u>	<u>(\$ 884)</u>	<u>(\$ 771,321)</u>

2020					
	<u>January 1</u>	<u>Recognized in profit and loss</u>	<u>Recognized in other comprehensive income</u>	<u>Recognized in equity</u>	<u>December 31</u>
Temporary differences:					
- Deferred income tax assets:					
Loss for market price decline and obsolete and slow-moving inventories	\$ 10,435	(\$ 8,611)	\$ -	\$ -	\$ 1,824
Pension exceeding the limits	9,838	-	-	-	9,838
Deferred promotion expenses	11,285	20,260	-	-	31,545
Valuation loss	315	-	-	-	315
Domestic investment loss	63,124	5,535	-	-	68,659
Unrealized incomes among affiliates	569	7,612	-	-	8,181
IFRS 16 book-tax difference	26	(26)	-	-	-
Unrealized foreign exchange losses	-	1,405	-	-	1,405
Differences on translation of foreign operations	7,476	-	69,965	-	77,441
Remeasurements of defined benefit obligation	<u>3,362</u>	<u>-</u>	<u>1,312</u>	<u>-</u>	<u>4,674</u>
Subtotal	<u>106,430</u>	<u>26,175</u>	<u>71,277</u>	<u>-</u>	<u>203,882</u>
- Deferred income tax liabilities:					
Foreign investment gain	(1,228,972)	(9,605)	-	-	(1,238,577)
Unrealized foreign exchange gains	(127)	127	-	-	-
Allowance for bad debt exceeding the limits	(10)	10	-	-	-
Changes in unrealized valuation profit or loss	(62,075)	-	(567)	-	(62,642)
Portion of other comprehensive income from the subsidiaries from the associates	(228,096)	-	(126,282)	-	(354,378)
Capital surplus	<u>(38,789)</u>	<u>-</u>	<u>-</u>	<u>(711)</u>	<u>(39,500)</u>
Subtotal	<u>(1,558,069)</u>	<u>(9,468)</u>	<u>(126,849)</u>	<u>(711)</u>	<u>(1,695,097)</u>
Total	<u>(\$ 1,451,639)</u>	<u>\$ 16,707</u>	<u>(\$ 55,572)</u>	<u>(\$ 711)</u>	<u>(\$ 1,491,215)</u>

4. Accumulated deductible temporary difference of unrecognized deferred tax assets (liabilities):

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Deductible temporary differences	<u>(\$ 287)</u>	<u>\$ 1,160</u>

5. The Company's income tax returns through 2019 have been assessed as approved by the Tax Authority.

(30) Earnings per share

	2021		
	After-tax amount	Retroactively adjust to the outstanding Number of shares (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders	<u>\$ 16,242,546</u>	<u>2,036,667</u>	<u>\$ 7.98</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders	\$ 16,242,546	2,036,667	
Impact of potential diluted common shares			
Remuneration to employee	<u>-</u>	<u>909</u>	
Net income attributable to ordinary shareholders plus the effects on the common shares	<u>\$ 16,242,546</u>	<u>2,037,576</u>	<u>\$ 7.97</u>
	2020		
	After-tax amount	Retroactively adjust to the outstanding Number of shares (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders	<u>\$8,557,651</u>	<u>2,036,667</u>	<u>\$ 4.20</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders	\$8,557,651	2,036,667	
Impact of potential diluted common shares			
Remuneration to employee	<u>-</u>	<u>852</u>	
Net income attributable to ordinary shareholders plus the effects on the common shares	<u>\$8,557,651</u>	<u>2,037,519</u>	<u>\$ 4.20</u>

The above retroactive adjustments to the number of shares outstanding have been retroactively adjusted in proportion to the capitalization of retained earnings in 2021.

(31) Cash flow supplementary information

1. Investing activities not affecting cash flow:

	<u>2021</u>	<u>2020</u>
Financial assets designated at fair value through profit or loss - non-current reclassified as Financial assets at fair value through other comprehensive income - non-current	<u>\$ 49,280</u>	<u>\$ -</u>
Financial assets at fair value through other comprehensive income - non-current reclassified as financial assets at fair value through other comprehensive income - current	<u>\$ 1,303,338</u>	<u>\$ -</u>

2. Financing activities not affecting cash flow:

	<u>2021</u>	<u>2021</u>
Share dividend	<u>\$ 6,019,524</u>	<u>\$ 5,016,270</u>

(32) Changes of liabilities from financing activities

	2021					
	Short-term borrowings	Short-term notes payable	Guarantee deposits received	Long-term borrowings (including due within one year and one operating cycle)	Lease liabilities (Including due within one year)	Total liabilities from financing activities
January 1	\$ 2,100,000	\$ 4,358,912	\$ 994,884	\$ 26,209,423	\$ 707,784	\$ 34,371,003
Changes of the financing cash flows	(500,000)	(280,000)	(16,383)	1,970,000	(89,396)	1,084,221
Other non-cash changes	-	(605)	-	2,271	89,058	90,724
December 31	<u>\$ 1,600,000</u>	<u>\$ 4,078,307</u>	<u>\$ 978,501</u>	<u>\$ 28,181,694</u>	<u>\$ 707,446</u>	<u>\$ 35,545,948</u>
	2020					
	<u>Short-term borrowings</u>	<u>Short-term notes payable</u>	<u>Guarantee deposits received</u>	<u>Long-term borrowings (including due within one year and one operating cycle)</u>	<u>Lease liabilities (Including due within one year)</u>	<u>Total liabilities from financing activities</u>
January 1	\$ 2,790,000	\$ 2,228,457	\$ 1,000,374	\$ 28,503,330	\$ 21,480	\$ 34,543,641
Changes of the financing cash flows	(690,000)	2,130,000	(5,490)	(2,293,000)	(74,216)	(932,706)
Other non-cash changes	-	455	-	(907)	760,520	760,068
December 31	<u>\$ 2,100,000</u>	<u>\$ 4,358,912</u>	<u>\$ 994,884</u>	<u>\$ 26,209,423</u>	<u>\$ 707,784</u>	<u>\$ 34,371,003</u>

7. Transaction with Related Parties

(1) Names of related parties and relationship

<u>Name of the related party</u>	<u>Relationship with the Company</u>
Ruentex Bai-Yi Development co., Ltd.	Subsidiary of the Company
Ruentex Xu-Zhan Development co., Ltd.	Subsidiary of the Company
Ruentex Construction International Co., Ltd.	Subsidiary of the Company
Ruen Fu Newlife Corp.	Subsidiary of the Company
Ruentex Development Company (Ruentex Development)	Subsidiary of the Company
Ruentex Property Management and Maintenance Co., Ltd.	Subsidiary of the Company
Ruentex Security Co., Ltd.	Subsidiary of the Company
Ruentex Engineering & Construction Co., Ltd. (Ruentex Engineering)	Subsidiary of the Company
Ruen Yang Construction Co., Ltd.	Sub-subsidiary of the Company
Ruentex Interior Design Inc. (Ruentex Design)	Sub-sub-subsidiary of the Company
Ruentex Industries Ltd.	Associate (the investment company which accounts for the Company using the equity method)
Nan Shan Life Insurance Co., Ltd.	Associate (the investee company accounted for under the equity method)
Nan Shan General Insurance Co., Ltd.	Associate (the investee company accounted for under the equity method subsidiary of the Company)
RT-Mart International Co., Ltd. (RT-Mart)	Other related party (the Company is a juridical person supervisor of the company)
Shu-Tien Urology and Ophthalmology Clinic	Other related party (juridical person director of the Company's associates)
Ruentex Construction Co., Ltd.	Other related party (the Company's key management personnel is the director of that concerned company)
Huei Hong Investment Co., Ltd.	Other related party (the Company's key management personnel is the juridical person director of the concerned company)
Penglin Investment Co., Ltd.	Other related party (the Company's representative of juridical person director is the director of the company)
Samuel Yen-Liang Yin	Other related party (relative of the representative of the juridical person director of the Company)
Lin, Yu-Sheng	Other related party (the Company's subsidiary's key management personnel)
Wu , Jia-Ru	Other related party (the Company's subsidiary's key management personnel)
Lai, Ke-You	Other related party (the relative of the key management personnel at the Company's subsidiary)

Liang, Tien-Yi	Other related party (the Company's key management personnel)
Chang, Kai-Hsiang	Other related party (relative of the Company's key management personnel)
Chien, Chieh-Ni	Other related party (relative of the Company's key management personnel)
Jean, Tsang-Jiunn	The Company's key management personnel
Lee, Chih-Hung	The Company's key management personnel

(2) Significant related party transactions and balances

1. Operating revenue

	2021	2020
Subsidiaries	\$ 51,574	\$ 51,176
Other related parties	108	324
	<u>\$ 51,682</u>	<u>\$ 51,500</u>

- (1) The Company sold houses and lands to related parties, and the transaction prices were determined based on the negotiation between both parties. In addition, payments were collected according to the contract schedule signed by both parties. The transaction terms had no major difference from general non-related parties. The aforementioned transactions had been completed and the ownership of houses had been transferred. In addition, payments were collected according to the contract schedule signed by both parties.
- (2) The Company signed consultation service agreements with related parties, and the transaction prices were determined based on the negotiation between both parties. In addition, payments were collected according to the contract schedule signed by both parties.
- (3) The Company pre-sells premises to related parties, and the total sales and advance sale receipt (recognized in contract liabilities-current) are as follows:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Total contract</u>	<u>Advance real estate</u>	<u>Total contract</u>	<u>Advance real estate</u>
	<u>amount</u>	<u>receipts</u>	<u>amount</u>	<u>receipts</u>
Other related parties	\$ 88,140	\$ 14,610	\$ 61,980	\$ 8,470

- (4) On December 28, 2021, the Company's Board of Directors approved to dispose of a unit on the 11th floor of building A1 and 7 parking spaces at Botanic Garden Villa, Zhongzheng District, Taipei City, to other related parties. The total contract price was NT\$816,313 (tax excluded). As of March 15, 2022, the payment has been paid in full, and the ownership transfer registration was completed on January 20, 2022.

- (5) On December 28, 2021, the Company's Board of Directors approved to dispose of a unit on the 23rd floor of building A6 and 2 parking spaces at Ruentex Fuyang, Xinhai Section, Daan District, Taipei City, to other related parties. The total contract price was NT\$43,581 (tax excluded). As of March 15, 2022, an amount of NT\$5,080 has been paid, and the ownership transfer registration procedures have not yet been completed.

2. Purchases of goods

	<u>2021</u>	<u>2020</u>
Ruentex Engineering & Construction Co., Ltd.	\$ 2,556,310	\$ 1,553,727
Subsidiaries	86,769	150,526
Other related parties	<u>386,346</u>	<u>313,321</u>
	<u>\$ 3,029,425</u>	<u>\$ 1,997,574</u>

- (1) The Company had issued checks matured within 1~2 months for payments to related parties.
- (2) The construction price for the project contracted out by the Company to related parties were determined based on the price negotiation between both parties.
- (3) For the decoration works contracted out by the Company to related parties, contracts were established according to additional percentages on top of the costs, and the costs were determined after considering the decoration area and the materials used.
- (4) Regarding the construction and decoration project contracts accumulated and already signed by the Company and related parties, the unfinished construction contracts in progress and the payment amounts were as follows:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	Total contract amount		Total contract amount	
	<u>(Tax excluded)</u>	<u>Amount paid</u>	<u>(Tax excluded)</u>	<u>Amount paid</u>
Ruentex Engineering & Construction Co., Ltd.	\$ 14,758,176	\$ 4,390,801	\$ 16,563,057	\$ 3,708,354
Subsidiaries	368,817	124,609	578,191	503,472
Other related parties	<u>18,114</u>	<u>3,351</u>	<u>18,114</u>	<u>3,351</u>
	<u>\$ 15,145,107</u>	<u>\$ 4,518,761</u>	<u>\$ 17,159,362</u>	<u>\$ 4,215,177</u>

- (5) Regarding the entrusted purchase agreement signed by the Company and related parties, the purchase prices were calculated based on the purchase prices of related parties, and such purchase amounts were paid to the related parties based on monthly billing within 1~2 months after the payment notices were serviced to the related parties.

3. Non-operating income and expenses - interest income

	<u>2021</u>	<u>2020</u>
Nan Shan Life Insurance	\$ 2,100	\$ 2,100

Note: the interest incomes from the financial assets measured at amortized costs.

4. Receivables from related parties

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts receivable:		
Subsidiaries	\$ 538	\$ 561
Other receivables (Note):		
RT-Mart	\$ 2,942	\$ 2,243
Nan Shan Life Insurance	1,094	1,093
Associates	8	3
Subsidiaries	23	13
	<u>\$ 4,067</u>	<u>\$ 3,352</u>

Note: mainly refer to certificates receivable and interest receivable.

5. Payables to related parties

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes payable:		
Ruentex Engineering & Construction Co., Ltd.	\$ 76,607	\$ 83,298
Ruentex Design	18,428	36,968
RT-Mart	58,352	29,248
Subsidiaries	1,338	1,213
Associates	1,026	1,597
	<u>\$ 155,751</u>	<u>\$ 152,324</u>
Accounts payable:		
Ruentex Engineering & Construction Co., Ltd.	\$ 330,241	\$ 341,547
Ruentex Design	-	29,611
Other related parties	14,396	15,648
Subsidiaries	3,038	3,652
Associates (Note)	482	4
	<u>\$ 348,157</u>	<u>\$ 390,462</u>

Note: mainly refer to computer maintenance fee payable.

6. Property transactions

(1) Acquisition of financial Assets

Please refer to the details of Note 6(8)6(2), Note 6(8)6(4), Note 6(8)6(5), and Note 6(8)7(5).

(2) On July 28, 2020, the Company's board of directors approved the purchase of land in Jianguo Section, Xinzhuang District, New Taipei City from RT-Mart for a total contract price of \$1,720,000, for which full payment has been received as of December 31, 2021. The registration of the transfer was completed on September 26, 2020 and is recognized under Inventory - Construction Land.

(3) On December 23, 2020, the Company's board of directors approved the purchase of land in Zhongshan Section, Banqiao District, New Taipei City from other related parties for a total contract price of \$2,604, which has been paid in full and is recognized under construction land. The ownership transfer registration was completed on January 12, 2021.

7. Authorized operation contracts of Hypermarket Business Department

(1) The Company and other related party signed an authorized operation contract and an entrusted management and purchase agreement for the Zhonglun Hypermarket in August 2004 in order to allow other related party to provide relevant services for the establishment, operation and maintenance of the hypermarket, and the contract contents are summarized in the following:

A. Term of contract: Original contract was from August 2004 to December 2009, and both parties had agreed to extend for 10 years.

B. Purchase and management service remuneration: According to the following calculation method, for the retail store earnings of the sales location remuneration (excluding the financial income amount and the remuneration payable), the earnings remuneration payable was calculated:

a. If the sales location operating result generates a profit, then 50% of the earnings of the store and the food court shall be paid to the other party as earnings remuneration respectively. However, if the sales location operating result indicates a loss, the other party is not obligated to bear any loss.

b. In addition, a fixed service fee of NT\$ 500 is paid annually.

C. Restrictive clauses:

During the term of the contract, where the Company plans to sell, lease or dispose the asset or operation of the hypermarket in other method, it shall be sold, leased or transferred to the other party in written proposal according to the price agreed in priority. If the other party fails to inform the Company its willingness to accept the offer within 60 days after the receipt of the proposal, then the Company may then lease, sell or dispose the asset or operation of the store in other methods to a third party.

(2) The parties have entered into an agreement in December 2019 to extend the term of the original contract and to amend the remuneration, which is summarized as follows:

A. Contract Duration: Both parties have agreed to extend for ten years; and the agreement was entered in December 2019 for extension up to December 2024.

B. Remuneration for procurement and management services: The management service fee, remuneration for procurement services and management service fee for the operation of the food court under the original contract are calculated based on 1% of the total monthly revenue before tax of the Zhonglun Store (excluding the food court).

- (3) The premium expenses (including the earning compensation), for the years ended December 31, 2021 and 2020 were NT\$10,303 and NT\$10,331, respectively. As of December 31, 2021 and 2020, the royalties payable (including the earning compensation) (recognized under the notes payable - related parties) were NT\$781 and \$783 for the years ended December 31, 2020 and 2019, respectively.

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiaries	<u>\$ 6,200,000</u>	<u>\$ 4,080,000</u>

9. Endorsements or Guarantees made by related parties

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Key management personnel	<u>\$ 56,491,607</u>	<u>\$ 47,020,191</u>

(3) Key management compensation information

	<u>2021</u>	<u>2020</u>
Wages and salaries and other short-term employee benefits	\$ 123,680	\$ 117,194
Post-employment benefits	<u>1,518</u>	<u>1,506</u>
Total	<u>\$ 125,198</u>	<u>\$ 118,700</u>

8. Pledged Assets

The Company's Assets pledged as collateral are as follows:

<u>Asset items</u>	<u>Carrying amount</u>		<u>For guarantee purpose</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>	
Inventories	\$ 19,594,354	\$ 19,368,600	Long-term/short-term borrowings and Issuance of Commercial Paper
Current other financial assets (listed as other current assets)	889,031	1,038,275	Joint construction guarantee deposits and real estate trust receipts in advance
Financial Assets measured at fair value through other comprehensive income - non-current	-	525,008	Short-term borrowings and Issuance of Commercial Paper
Investments accounted for using equity method	29,693,673	22,373,137	Long-term/short-term borrowings and Issuance of Commercial Paper
Non-current other financial assets (listed as other non-current assets)	129,116	98,309	Money Lodged at Courts and Performance Bonds
Investment Real Estate	152,868	155,379	Guarantee for advance rent receipts
	<u>\$ 50,459,042</u>	<u>\$ 43,558,708</u>	

9. Significant contingent liabilities and unrecognized contractual commitments

(1) Contingencies

Jing-Guan Construction ("Jing-Guan") entered the agreement for transferring rights of joint-construction with the Company on December 6, 1996, to transfer the joint construction at 63 pieces of lands at the Sub-section 2 No. 363 of Muzha Section, Wenshan District, Taipei City. Under the agreement, when certain conditions were met, the Company should pay the transfer premium one by one, for total NT\$31,000. In addition, on the same day, the Company signed a real estate sales contract with Jing-Guan and its legal representative, to buy several properties under the legal representative, and under the agreement, when certain conditions were met, the Company should pay the considerations one by one. Jing-Guan Construction believed that the Company had the actions to make the agreed payment conditions of the agreement for transferring rights of joint-construction and the real estate sales contract fail to be met, and thus sued the Company to claim the unpaid transfer premiums and the interests from the delay. The legal representative of Jing-Guan also sued the Company to claim the unpaid considerations and the interests from the delay. The Company claimed that Jing-Guan Construction and its legal representative both firstly breached the obligations to be performed in the agreement for transferring rights of joint-construction and the real estate sales contract, and the payment conditions were not met. The right of claim was eliminated due to time. Pursuant to the contracts, the Company has not obliged to pay transfer premiums and considerations. For the above mentioned suit, the Taipei District Court, Taiwan has rejected the allegation of Jing-Guan Construction on April 24, 2019. Jing-Guan disagreed with the judgement, and has appealed to Taiwan High Court before the due date. Up to the date of the report, there was no further information.

(2) Commitments

As of December 31, 2021 and 2020, in addition to the content described in Note 6(8), (10),

(15), and 7, other significant commitments are as follows:

1. As of December 31, 2021 and 2020, the joint construction contracts signed by the Company and land owners included the construction projects of Banqiao Jiangcui etc., and the joint construction guarantee bonds provided were NT\$479,310 and NT\$479,237, respectively.
2. The Company signed the MRT Wenhua Line Neihu station “Jiao 11” joint development contract with Taipei City Government to build the building complex with shopping mall and residential, that will consist of 15 stories above and 3 stories below, totaling 274 households in September, 2008; the Company also entered into the MRT Xinzhuang Line Sanchong Station Jia 6 office building joint development contract with Taipei City Government in December 2008. Total performance bond amounted \$220,179 was paid with the guarantee bond certificate issued by the domestic bank that is registered with the Ministry of Finance. For the Neihu Station Jiao 11 Joint Development Project, the Company has signed the equity distribution agreement with the Taipei City Government in September 2017, Presently, parts of the public facilities have not been inspected and delivered.

10. Significant Disaster Loss

None.

11. Significant subsequent events

Please refer to the description of Note 6(28) and 7(2)1.

12. Others

(1) Capital management

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return share capital to shareholders, issue new shares or sell Assets in order to adjust to reach the most suitable capital structure. The Company uses the debt-to-capital ratio to monitor its capital, and such ratio is calculated by dividing the net debt by the total capital. The calculation of the net debt refers to total borrowings (including the “Current and non-Current borrowings” listed in the unconsolidated balance sheet) with the deduction of cash and cash equivalents. The calculation of the total capital refers to the addition of the “equity” listed on the unconsolidated balance sheet with the net debt.

The strategy in 2021 of the Company was maintained the same as the strategy in 2020. As of December 31, 2021 and 2020, the debt to total Assets ratio was as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Total borrowings	\$ 33,860,001	\$ 32,668,335
Less: Cash and cash equivalents	(5,731,650)	(3,467,615)
Net debt	28,128,351	29,200,720
Total equity	<u>116,862,034</u>	<u>114,244,330</u>
Total capital	<u>\$ 144,990,385</u>	<u>\$ 143,445,050</u>
Debt-to-total-capital ratio	19.40%	20.36%

(2) Financial instruments

1. Type of financial instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets measured at fair value through other comprehensive income and loss -current	\$ 1,303,338	\$ -
Financial assets measured at fair value through profit or loss - non-current	-	37,262
Financial assets measured at fair value through other comprehensive income and loss - non-current	1,230,821	2,008,422
Financial Assets at amortized cost		
Cash and cash equivalents	5,731,650	3,467,615
Accounts receivable (including related parties)	11,666	9,996
Other receivables (including related parties)	7,531	9,171
Financial Assets at amortized cost - non-current	60,000	60,000
Other financial assets (listed as other current and other non-current assets)	<u>1,024,396</u>	<u>1,142,833</u>
	<u>\$ 9,369,402</u>	<u>\$ 6,735,299</u>

	December 31, 2021	December 31, 2020
<u>Financial liabilities</u>		
Financial liabilities are carried at amortized cost		
Short-term borrowings	\$ 1,600,000	\$ 2,100,000
Short-term bills payable	4,078,307	4,358,912
Notes payable (including related parties)	188,406	190,138
Accounts payable (including related parties)	449,397	469,741
Other payables	350,756	338,615
Long-term borrowings (including loans due within a year or a business cycle)	28,181,694	26,209,423
Guarantee deposits received (listed as other non-current liabilities)	978,501	994,884
	<u>\$ 35,827,061</u>	<u>\$ 34,661,713</u>
Lease liabilities - current and non-current	<u>\$ 707,446</u>	<u>\$ 707,784</u>

2. Risk management policies

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

3. Significant financial risks and degrees of financial risks

(1) Market risk

Foreign exchange risk

- A. The Company holds several foreign operating institution investments, and its net asset bears the foreign exchange risk. In addition, the Company's businesses involve some non-functional currency operations. The information on assets denominated in foreign currencies whose values would be affected by the exchange rate fluctuations is as follow:

December 31, 2021						
<u>Sensitivity analysis</u>						
	Foreign currency (in thousands of NTD)	Exchange rate	Carrying amount (NT\$)	Range of variation	Effects on profit and loss	Effects on other comprehensive income
<u>Financial assets</u>						
<u>Monetary item</u>						
USD:NTD	\$ 174,271	27.68	\$ 4,823,821	1%	\$ 48,238	\$ -
<u>Non-monetary Items</u>						
USD:NTD	96,444	27.68	2,669,575	1%	-	26,696

December 31, 2020						
<u>Sensitivity analysis</u>						
	Foreign currency (in thousands of NTD)	Exchange rate	Carrying amount (NT\$)	Range of variation	Effects on profit and loss	Effects on other comprehensive income
<u>Financial assets</u>						
<u>Monetary item</u>						
USD:NTD	\$ 80,854	28.48	\$ 2,302,722	1%	\$ 23,027	\$ -
<u>Non-monetary Items</u>						
USD:NTD	224,902	28.48	6,405,200	1%	-	64,052

- B. Foreign exchange risk has significant impact on the Group, and the foreign exchange gains or losses (including realized and unrealized) on monetary items recognized were NT\$76,912 and NT\$120,488, for the years ended December 31, 2021 and 2020, respectively.

Price risk

- A. The Company's equity instruments exposed to price risk were the financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- B. The Company mainly invests in domestic or foreign equity instruments. The prices of equity instruments is affected by the uncertainty of the future value of investment subject matters. If the prices of these equity instruments had increased/decreased by 1% with all other variables held constant, gains or losses on equity instruments at fair value through other comprehensive income and available-for-sale financial assets for the years ended December 31, 2021 and 2020 would have increased/decreased by NT\$25,342 and NT\$20,084.

Cash flow and fair value interest rate risk

- A. The Company's interest rate risk arises from total borrowings with floating interest rates that expose the Company to cash flow interest rate risk. For 2021 and 2020, the borrowing of the Company at floating interest rate was mainly calculated in NTD.

- B. The borrowing of the Company was measured at amortized cost, and re-pricing was performed according to the annual interest rate specified in the contract. Therefore, the Company is exposed to the risk of future market interest rate change.
- C. If interest rates on borrowings had been 0.125% higher or lower with all other variables held constant, profit after income tax for the years ended December 31, 2021 and 2020 would have increased/decreased NT\$33,865 and NT\$32,675, respectively, due to change of interest expenses of borrowings at variable interest rate.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or transaction counterparties of financial instruments on the contract obligations. Such risk is mainly due to the counterparties cannot repay the accounts payable according to the payment terms, and contractual cash flows from investments in debt instruments classified as measured at amortized cost and at fair value through profit or loss.
- B. The Company established management of credit risk from the company's perspective. For corresponding banks and financial institutions, the Company set up to only accept transaction counterparties receiving the credit rating of at least Class "A". According to the internally specified credit extension policy, before each operating entity and each new customer of the Company establish the terms for payment and goods delivery, it is necessary to perform management and credit risk analysis. The internal risk control considers the financial position, past experience and other factors in order to assess the credit quality of customers. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilization of credit limits is regularly monitored.
- C. The Company adopts IFRS 9 to provide preliminary assumption, and when the payment specified according to the contract term has exceeded 90 days, breach of contract is deemed to have occurred.
- D. The Company uses IFRS to provide the following assumptions, to determine if the credit risks of the financial instrument significantly increased since the initial recognition.
 - (A) When the contractual payments overdue from the payment terms for more than 30 days, it is deemed the credit risks of the financial instrument significantly increased since the initial recognition.
 - (B) Investments in bonds traded in the Over-the-Counter (OTC) with an external

rating agency rated as investment grade at the balance sheet date, the asset will be regarded as having low credit risk.

- E. The indicators for determining the impairment of the debt instrument investment used by the Company is as the following:
- (A) The possibilities that an issuer has a significant financial difficulty, or will become bankrupt or financial reorganized;
 - (B) Due to the financial difficulty of the issuer, such that the active market of the financial asset vanishes;
 - (C) An issuer delay or fail to repay the interests or principals;
 - (D) The unfavorable changes to the national or regional economic conditions leading to the default of an issuer.
- F. The Company classifies the accounts payable of customers according to the characteristics of customer type, and adopts the simplified method to use the loss rate method as the basis for estimating the expected credit loss.
- G. The Company incorporates the future prospective consideration described in the economic forecast of Taiwan Institute of Economics Research for adjusting the loss rate established according to the specific period history and Current information, in order to estimate the allowance loss for accounts receivable. The loss rate method as of December 31, 2021 and 2020 was as follows:

	<u>Each</u>	<u>Group A</u>	<u>Total</u>
<u>December 31, 2021</u>			
Expected loss	50%~100%	0%~0.03%	
Total carrying amount	\$ 442	\$ 10,948	\$ 11,390
Allowance for losses	262	-	262
<u>December 31, 2020</u>			
Expected loss	50%~100%	0%~0.03%	
Total carrying amount	\$ 138	\$ 9,367	\$ 9,505
Allowance for losses	70	-	70

Group A: Customers who do not have overdue payments

- H. The accounts receivable allowance loss change table under the simplified approach of the Company is as follows:

	<u>2021</u>	<u>2020</u>
	<u>Accounts Receivable</u>	<u>Accounts Receivable</u>
January 1	\$ 70	\$ 170
Provision of impairment loss	192	-
Write-off of bad debts for the period	-	(48)
Reversal of impairment loss	-	(52)
December 31	<u>\$ 262</u>	<u>\$ 70</u>

(3) Liquidity risk

- A. The cash flow forecast of the Company is executed by the operating entity and summarized by the financial department. The financial department monitors rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, as described in Note 6(15), in order to prevent the Company from breaching relevant borrowing limits or term. Such forecasts also consider the credit financing plan, credit terms compliance and the conformity with the financial ratio target specified in the internal balance sheet.
- B. For the remaining cash held by the operating entity of the Company, when it exceeds the management needs of operating capital, the financial department invests the remaining capital in the saving deposit with interest, time deposit and repurchase agreements etc. The instruments selected have appropriate maturity date or sufficient liquidity in order to cope with the aforementioned forecasts and to provide sufficient movement level. As of December 31, 2021 and 2020, the Company's position held in money market were NT\$5,215,380 and NT\$3,378,894.
- C. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the following table are the contractual undiscounted cash flows:

Non-derivative financial liabilities:

December 31, 2021	<u>Within 1 year</u>	<u>Within 2-5 years</u>	<u>More than 5 years</u>
Short-term borrowings (Note 1)	\$ 1,615,600	\$ -	\$ -
Short-term notes and bills payable (Note 1)	4,080,000	-	-
Notes payable (including related parties)	188,406	-	-
Accounts payable (including related parties)	449,397	-	-
Other payables	350,756	-	-
Lease liabilities (Note 1)	90,841	384,725	257,530
Long-term borrowings (including loans due within a year or a business cycle)	3,370,563	25,572,450	-
Other financial liabilities (Note 2)	-	978,501	-

Non-derivative financial liabilities:

December 31, 2020	<u>Within 1 year</u>	<u>Within 2-5 years</u>	<u>More than 5 years</u>
Short-term borrowings (Note 1)	\$ 2,119,950	\$ -	\$ -
Short-term notes and bills payable (Note 1)	4,360,000	-	-
Notes payable (including related parties)	190,138	-	-
Accounts payable (including related parties)	469,741	-	-
Other payables	338,615	-	-
Lease liabilities (Note 1)	85,931	322,751	338,855
Long-term borrowings (including loans due within a year or a business cycle)	5,964,246	21,007,303	-
Other financial liabilities (Note 2)	-	994,884	-

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

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

D. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability. The private equities of TWSE/TPEX companies invested by the Company and investment in equity instruments without active market are included in Level 3.

2. For the fair value information of investment real estate at cost of the Company, please refer to Note 6(11) for details.

3. The carrying amounts of the Company's financial instruments not measured at fair value,

including cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), other financial assets recognized in other current assets and other non-current assets, short-term borrowings, short-term notes payable, notes payable (including related parties), accounts payable (including related parties), other payables, long-term borrowings, and other financial liabilities recognized in other non-current liabilities, are approximate to their fair values.

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

December 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial Assets measured at fair value through other comprehensive income				
Equity securities	<u>\$ 1,229,921</u>	<u>\$ -</u>	<u>\$ 1,304,238</u>	<u>\$ 2,534,159</u>

December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets measured at fair value through profit or loss - non-current - Domestic convertible bonds	\$ 37,262	\$ -	\$ -	\$ 37,262
Financial Assets measured at fair value through other comprehensive income				
Equity securities	<u>1,426,250</u>	<u>-</u>	<u>582,172</u>	<u>2,008,422</u>
Total	<u>\$ 1,463,512</u>	<u>\$ -</u>	<u>\$ 582,172</u>	<u>\$ 2,045,684</u>

5. The methods and assumptions the Company used to measure fair value are as follows:

(1) For the investments on OTC stocks by the Company used market quoted prices as

their fair values (i.e. Level 1), which are listed below according to the characteristics of the instruments:

	<u>Shares of the TPEX listed companies</u>	<u>Shares of the TPEX-listed companies</u>	<u>Convertible bonds</u>
Quoted market price	Closing market prices	The last sales price	Closing market price

- (2) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to Current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date (such as the reference yield curve of TPEX, Reuters commercial paper interest rate average price).
- (3) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (4) For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. Such type of valuation model is normally applied to derivative financial instruments. Certain inputs used in such type of valuation model are not observable at market, and the Company must make reasonable estimates based on its assumptions. For the impacts of non-market observable parameters on financial instrument valuation, please refer to Note 12(3)10 for details.
- (5) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the

balance sheet date. The inputs and pricing information used during valuation are carefully assessed and adjusted based on Current market conditions.

6. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.
7. The following table shows the change of Level 3 for the years ended December 31, 2021 and 2020.

	<u>2021</u>
	<u>Non-derivative Equity Instrument</u>
January 1	\$ 582,172
Gains recognized as other comprehensive income (Note 1)	849,504
Capital returned due to capital reduction	(127,438)
December 31	<u>\$ 1,304,238</u>

	<u>2020</u>
	<u>Non-derivative Equity Instrument</u>
January 1	\$ 988,918
Gains recognized as other comprehensive income (Note 1)	206,000
Transfer to the level 1	(428,713)
Sales for current period	(61,530)
Others (Note 2)	(122,503)
December 31	<u>\$ 582,172</u>

Note1: Unrealized valuation profit or loss accrued.

Note2: Cash dividends received from the original paid-in capital are treated as a reduction of the original cost of ownership.

8. Please refer to Notes 6(6)5 and 6(6)6 for details of the transfers from Level 3 in 2020.
9. For the valuation process of classifying fair values under Level 3 of the Company, the accounting department is responsible for performing the independent fair value verification of the financial asset. Through independent source information to allow the result to be close to the market status, confirming information source being independent, reliable, and consistent with other sources as well as representing the executable price. In addition, the valuation model is calibrated periodically, retroactive test is performed, the input values and data required for the valuation model is spaded and other necessary fair value adjustments are made, in order to ensure that the valuation result is reasonable.

10. The significant non-observable input value quantified information and significant non-observable input value change sensitivity analysis for the valuation model used in relation to the Level 3 fair value measurements are as follows:

	December 31, 2021	Valuation techniques	Significant unobservable inputs	Discount rate	Inputs and Fair value relationship
Non-derivative Equity Instrument:		Fair value			
Shares of non-TWSE/TPEX listed companies	\$ 1,303,338	Comparable TWSE/TPEX listed companies	Discount for lack of marketability	16.11%	The higher the marketability discount, the lower the fair value.
Shares of non-TWSE/TPEX listed companies	900	Net assets value method	N/A	N/A	N/A
	December 31, 2020	Valuation techniques	Significant unobservable inputs	Discount rate	Inputs and Fair value relationship
Non-derivative Equity Instrument:		Fair value			
Shares of non-TWSE/TPEX listed companies	\$ 581,272	Comparable TWSE/TPEX listed companies	Discount for lack of marketability	25.68%	The higher the marketability discount, the lower the fair value.
Shares of non-TWSE/TPEX listed companies	900	Net assets value method	N/A	N/A	N/A

11. The Company carefully assesses and selects the valuation model and valuation parameters used; however, when different valuation model or valuation parameters are used, it may lead to different valuation result. For financial Assets classified as Level 3, if there is change in the valuation parameters, then the impact on other comprehensive income is as follows:

		2021	
		<u>Recognized as other comprehensive income</u>	
<u>Inputs</u>	<u>Changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>
Financial assets			
Equity Instrument Lack of marketability			
Marketability discount	±1%	<u>\$ 13,042</u>	<u>(\$ 13,042)</u>
		2020	
		<u>Recognized as other comprehensive income</u>	
<u>Inputs</u>	<u>Changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>
Financial assets			
Equity Instrument Lack of marketability			
Marketability discount	±1%	<u>\$ 5,822</u>	<u>(\$ 5,822)</u>

13. Separately Disclosed Items

(1) Significant transaction information

1. Loans to others: None.
2. Provision of endorsements and guarantees to others: Please refer to Table I.
3. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to Table II.
4. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
5. Acquisition of real estate reaching NT\$ 300 million or 20% of paid-in capital or more: Please refer to Table III.
6. Disposal of real estate reaching NT\$ 300 million or 20% of paid-in capital or more: Please refer to Table IV.
7. Purchases or sales of goods from or to related parties reaching NT\$ 100 million or 20% of paid-in capital or more: Please refer to Table V.
8. Receivables from related parties reaching NT\$ 100 million or 20% of paid-in capital or more: Please refer to Table VI.
9. Trading in derivative instruments undertaken during the reporting periods: None.
10. Significant transactions between the parent to subsidiary and between subsidiary during the reporting periods: Please refer to Table VII.

(2) Information on Investees

Names, locations and other information of investees (not including investees in China): Please refer to Table VIII.

(3) Information on Investments in China

None.

(4) Information on main investors

Information on main investors: Please refer to Table IX.

14. Segment information

Not applicable.

Ruentex Development Co., Ltd.
Statement of cash and cash equivalents
December 31, 2021

Unit: NTD in Thousands

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Cash on hand		\$ 2,319
Petty cash		2,530
Bank deposits		
- Checking deposits		511,421
- Demand deposits	Including USD 4,002 thousand at an exchange rate of 27.68 NTD to 1 USD	272,173
- Time deposits	Including USD 170,269 thousand at an exchange rate of 27.68 NTD to 1 USD	4,713,049
	Period from October 10, 2021–February 23, 2022	
Cash equivalents (Bonds under repurchase agreements)	Interest rate from 0.162–0.180%; period from December 29, 2021–January 4, 2022	<u>230,158</u>
		<u>\$ 5,731,650</u>

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Ruentex Development Co., Ltd.
Statement of Inventories
December 31, 2021

Unit: NTD in Thousands

Item	Summary	Amount		Remark
		Cost	Fair value	
<u>Construction Business</u>				
<u>Department</u>				
Real property for sale (including parking space)		\$10,295,856	\$15,922,142	1. Net realizable value.
Property under construction		8,447,303	9,306,288	2. Please refer to the "Notes VIII, Pledged Asset" for more details.
Construction land		3,662,527	3,498,821	
Prepayment for land purchases		1,234,540	1,241,543	
Less: Allowance for valuation losses		(377,245)	-	
Subtotal		<u>23,262,981</u>	<u>29,968,794</u>	
<u>Hypermarket Business</u>				
<u>Department</u>				
Merchandise inventory		85,961	113,540	
Less: Allowance for obsolescence loss		(1,652)	-	
		<u>84,309</u>	<u>113,540</u>	
Total inventories		<u>\$23,347,290</u>	<u>\$30,082,334</u>	

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Ruentex Development Co., Ltd.
Statement of changes in financial Assets measured at fair value through profit or loss - current
January 1 to December 31, 2021

Unit: NTD in Thousands

Name	<u>Balance at the beginning of the period</u>		<u>Increase in the current period (Note)</u>		<u>Decrease in the current period</u>		<u>Balance at the end of the period</u>			Provided as a guarantee or hedge	Remark
	Shares (1,000 Shares)	Amount	Shares (1,000 Shares)	Amount	Shares (1,000 Shares)	Amount	Shares (1,000 Shares)	Shareholding percentage	Amount		
RT-MART International Co., Ltd.	-	<u>\$ -</u>	4,085	<u>\$1,303,338</u>	-	<u>\$ -</u>	4,085	11.33%	<u>\$1,303,338</u>	No	

Note: Financial assets at fair value through other comprehensive income- non-current reclassified to the initial holding cost of NT\$128,717 and relevant valuation gains of \$1,174,621.

Ruentex Development Co., Ltd.
Statement of changes in financial assets measured at fair value through profit or loss - non-current
January 1 to December 31, 2021

Unit: NTD in Thousands

Name	<u>Balance at the beginning of the period</u>		<u>Increase in the current period</u>		<u>Decrease in the current period</u>		<u>Valuation adjustment</u>	<u>Balance at the end of the period</u>		Provided as a guarantee or hedge	Remark
	Shares (1,000 Shares)	Amount	Shares (1,000 Shares)	Amount	Shares (1,000 Shares)	Amount	Amount	Shares (1,000 Shares)	Amount		
Third unsecured convertible bonds issued by Brogent Technologies Inc.	336	<u>\$ 37,262</u>	-	<u>\$ -</u>	(336)	<u>(\$ 49,280)</u>	<u>\$ 12,018</u>	-	<u>\$ -</u>	No	Note

Note: The decrease in the current period is due to the 336,000 shares of unsecured corporate bonds of Brogent Technologies Inc. converted into 320,000 ordinary shares.

Ruentex Development Co., Ltd.
Statement of changes in financial Assets measured at fair value through profit or loss - non-Current
January 1 to December 31, 2021

Unit: NTD in Thousands

Name	<u>Balance at the beginning of the period</u>		<u>Increase in the current period (Note 1)</u>		<u>Decrease in the current period (Note 2)</u>		<u>Balance at the end of the period</u>			<u>Provided as</u>	<u>Remark</u>
	<u>Shares(1,000 Shares)</u>	<u>Amount</u>	<u>Shares(1,000 Shares)</u>	<u>Amount</u>	<u>Shares (1,000 Shares)</u>	<u>Amount</u>	<u>Shares (1,000 Shares)</u>	<u>Shareholding percentage</u>	<u>Amount</u>	<u>a guarantee or hedge</u>	
Brogent Technologies Inc.	2,489	\$ 281,263	320	\$ 64,252	-	\$ -	2,809	4.90%	\$ 345,515	No	
OBI Pharma, Inc.	1,344	186,765	-	-	-	(33,592)	1,344	0.67%	153,173	”	
TaiMed Biologics, Inc.	10,357	871,058	-	-	-	(139,825)	10,357	4.11%	731,233	”	
RT-MART International Co., Ltd.	16,829	581,272	-	849,504	(16,829)	(1,430,776)	-	-	-	”	
Pacific Resources Corporation	1,078	-	-	-	(835)	-	243	1.05%	-	”	
Asia Pacific Federation of Industry and Commerce	21	900	-	-	-	-	21	0.03%	900	”	
Evergreen Steel Corp.	1,885	<u>87,164</u>	-	<u>37,156</u>	(1,885)	<u>(124,320)</u>	-	-	<u>-</u>	”	
		<u>\$2,008,422</u>		<u>\$ 950,912</u>		<u>(\$1,728,513)</u>			<u>\$1,230,821</u>		

Note 1: They are the change in fair value in the amount of NT\$901,632 and the corporate bonds converted to ordinary shares in the amount of \$49,280.

Note 2: They are the change measured at fair value in the amount of NT\$173,417, capital returned due to capital reduction in the amount of NT\$127,438, investment costs initially recognized written off due to disposal in the amount of NT\$12,388, accumulated recognition of unrealized valuation adjustments - gains in the amount of NT\$111,932, original holding cost reclassified to current items in the amount of NT\$128,717, and relevant valuations gains in the amount of NT\$1,174,621.

Ruentex Development Co., Ltd.
Statement of financial Assets at amortized cost - non-Current
January 1 to December 31, 2021

Unit: NTD in Thousands

<u>Name</u>	<u>Beginning of the period</u>		<u>Increase in the</u> <u>current period</u>		<u>Decrease in the</u> <u>current period</u>		<u>End of the period</u>		<u>Provided as a</u> <u>guarantee or</u> <u>hedge</u>	<u>Remark</u>
	<u>Number</u>	<u>Carrying</u> <u>amount</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Carrying</u> <u>amount</u>		
Subordinated corporate bonds	60	<u>\$ 60,000</u>	-	<u>\$ -</u>	-	<u>\$ -</u>	60	<u>\$ 60,000</u>	No	

Ruentex Development Co., Ltd.
Statement of changes in investments accounted for using the equity method
January 1 to December 31, 2021

Unit: NTD in Thousands

	<u>Balance at the beginning of the period</u>		<u>Increase in the current period</u>		<u>Decrease in the current period</u>		<u>Balance at the end of the period</u>			<u>Market price or net value of equity</u>		<u>Provided as a guarantee or hedge</u>	<u>Remark</u>
	<u>Number of shares (thousand shares)</u>	<u>Amount</u>	<u>Number of shares (thousand shares)</u>	<u>Amount</u>	<u>Number of shares (thousand shares)</u>	<u>Amount</u>	<u>Number of shares (thousand shares)</u>	<u>Shareholding percentage</u>	<u>Amount</u>	<u>Unit price (NTD)</u>	<u>Total amount</u>		
Shing Yen Construction Development Co., Ltd.	28,415	\$ 295,475	-	\$ 495	-	(\$ 1,170)	28,415	45.45%	\$ 294,800	\$ 10.42	\$ 296,042	No	
Ruentex Industries Ltd.	65,720	9,886,552	19,716	1,940,144	-	(1,915,809)	85,436	11.63%	9,910,887	97.50	8,330,096	Please refer to the "Notes 8, Pledged Asset" for more details	
Ruentex Construction International (B.V.I.) Ltd.	25,000	2,056,276	-	6,713	-	(248,132)	25,000	100.00%	1,814,857	72.59	1,814,346	No	
Jing Hong Investment Co., Ltd.	27,000	690,904	-	498,590	(9,900)	(99,000)	17,100	30.00%	1,090,494	63.81	1,091,098	”	
Concord Greater China Ltd.	10,593	4,348,924	-	24,884	-	(3,519,090)	10,593	25.46%	854,718	80.60	853,816	”	
Ruentex Construction International Co., Ltd.	109,874	648,331	362,143	3,918,830	(272,017)	(2,006,038)	200,000	100.00%	2,561,123	12.80	2,559,596	”	
Ruentex Baiyi Co., Ltd.	195,000	2,256,298	-	166,581	(125,000)	(1,590,634)	70,000	35.00%	832,245	11.89	832,245	”	
Ruentex Xuzhan Co. Ltd.	160,000	1,983,506	-	204,356	-	(214,400)	160,000	80.00%	1,973,462	12.33	1,973,343	”	
Sunny Friend Environmental Technology Co., Ltd.	29,677	865,560	-	251,536	-	(247,983)	29,677	26.62%	869,113	199.50	5,920,591	Please refer to the "Notes 8, Pledged Asset" for more details	
Ruentex Materials Co., Ltd.	15,740	189,737	-	7,243	-	(21,236)	15,740	10.49%	175,744	30.45	479,283	No	
Ruen Chen Investment Holding Co., Ltd.	4,875,750	93,873,325	720,500	18,228,731	-	(16,503,828)	5,596,250	25.00%	95,598,228	17.08	95,598,228	Please refer to the "Notes 8, Pledged Asset" for more details	
Ruentex Security Co., Ltd.	6,900	73,325	-	22,953	-	(5,175)	6,900	100.00%	91,103	13.20	91,103	No	
Ruentex Property Management & Maintenance Co., Ltd.	2,829	40,585	-	13,362	-	(8,486)	2,829	100.00%	45,461	16.07	45,461	”	
Ruen Fu Newlife Corp.	900	(3,676)	1,200	12,099	(900)	(7,261)	1,200	60.00%	1,162	0.97	1,162	”	
Ruentex Engineering & Construction Co., Ltd.	52,845	984,538	19,553	1,130,402	-	(343,492)	72,398	39.14%	1,771,448	122.50	8,868,755	”	
Ruentex Interior Design Inc.	-	-	736	23,069	-	(58)	736	5.45%	23,011	31.07	22,864	”	
Global Mobile Corp.	26,082	-	-	-	-	-	26,082	9.46%	-	-	-	”	
Ruentex Development Co., Ltd.	198,800	1,876,871	-	325,343	-	-	198,800	70.00%	2,202,214	11.35	2,255,779	”	
Nan Shan Life Insurance Co., Ltd.	32,048	1,114,185	-	187,794	-	(180,438)	32,048	0.23%	1,121,541	35.00	1,121,541	”	
Less: Treasury stock		(3,190)		-		-			(3,190)		-		
Total		<u>\$121,177,526</u>		<u>\$ 26,963,125</u>		<u>(\$ 26,912,230)</u>			<u>\$121,228,421</u>		<u>\$132,155,349</u>		

Ruentex Development Co., Ltd.
Statement of changes in costs of property, plant and equipment
January 1 to December 31, 2021

Unit: NTD in Thousands

Item	<u>Balance at the</u> <u>beginning of the period</u>	<u>Increase in the</u> <u>current period</u>	<u>Decrease in the</u> <u>current period</u>	<u>Transfer amount</u> <u>for current period</u>	<u>Balance at the</u> <u>end of the period</u>	<u>Provided</u> <u>as a</u> <u>guarantee</u> <u>or hedge</u>	<u>Remarks</u>
Machinery and equipment	\$ 89,752	\$ 1,919	(\$ 9,981)	\$ 12,974	\$ 94,664	No	
Warehouse equipment	34,312	972	(23,628)	16,202	27,858	”	
Transportation equipment	28,112	-	-	-	28,112	”	
Office equipment	31,974	3,368	(1,130)	-	34,212	”	
Other equipment	177,232	20,140	(122,916)	97,163	171,619	”	
Unfinished construction and equipment pending for inspection	94,792	33,237	-	(126,339)	1,690	”	
	<u>\$ 456,174</u>	<u>\$ 59,636</u>	<u>(\$ 157,655)</u>	<u>\$ -</u>	<u>\$ 358,155</u>		

Explanation: For more details in depreciation method and years of useful life for real estate, plant and equipment please refer to Note 4(15).

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Ruentex Development Co., Ltd.
Statement of changes in accumulated depreciation of real estate, plant and equipment
January 1 to December 31, 2021

Unit: NTD in Thousands

<u>Item</u>	<u>Balance at the beginning of</u> <u>the period</u>	<u>Increase in the current</u> <u>period</u>	<u>Decrease in the current</u> <u>period</u>	<u>Transfer amount for</u> <u>current period</u>	<u>Balance at the</u> <u>end of the period</u>	<u>Provided as a</u> <u>guarantee or</u> <u>hedge</u>	<u>Remarks</u>
Machinery and equipment	\$ 67,625	\$ 7,795	(\$ 9,558)	\$ -	\$ 65,862	No	
Warehouse equipment	30,505	2,939	(22,982)	-	10,462	”	
Transportation equipment	25,753	1,143	-	-	26,896	”	
Office equipment	29,050	2,078	(1,129)	-	29,999	”	
Other equipment	166,638	16,837	(122,808)	-	60,667	”	
	<u>\$ 319,571</u>	<u>\$ 30,792</u>	<u>(\$ 156,477)</u>	<u>\$ -</u>	<u>\$ 193,886</u>		

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Ruentex Development Co., Ltd.
Detailed changes of right-of-use assets,
January 1 to December 31, 2021

Unit: NTD in Thousands

<u>Item</u>	<u>Balance at the beginning of the period</u>	<u>Increase in the current period</u>	<u>Decrease in the current period</u>	<u>Transfer amount for current period</u>	<u>Balance at the end of the period</u>	<u>Provided as a guarantee or hedge</u>	<u>Remark</u>
Cost:							
Buildings	\$ 797,872	\$ 89,058	(\$ 37,352)	\$ -	\$ 849,578	No	
Accumulated depreciation:							
Buildings	(106,820)	(92,017)	37,352	-	(161,485)		
Carrying amount	<u>\$ 691,052</u>	<u>(\$ 2,959)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 688,093</u>		

For the method of deprecation and useful years of right-of-use assets, please refer to Note 4 (16).

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Ruentex Development Co., Ltd.
Statement of changes in investment real estate
January 1 to December 31, 2021

Unit: NTD in Thousands

<u>Item</u>	<u>Balance at the beginning</u> <u>of the period</u>	<u>Increase in the</u> <u>current period</u>	<u>Decrease in the</u> <u>current period</u>	<u>Transfer amount for current</u> <u>period</u>	<u>Balance at the end</u> <u>of the period</u>	<u>Provided as a guarantee or hedge</u> <u>Remark</u>
Cost:						
Land	\$ 1,008,724	\$ -	\$ -	\$ -	\$ 1,008,724	Please refer to the "Notes 8, Pledged Asset" for more details.
Buildings	<u>1,365,678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,365,678</u>	
	<u>2,374,402</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,374,402</u>	
Accumulated depreciation:						
Buildings	(<u>421,202</u>)	(<u>28,027</u>)	<u>-</u>	<u>-</u>	(<u>449,229</u>)	
Carrying amount	<u>\$ 1,953,200</u>	<u>(\$ 28,027)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,925,173</u>	

Explanation: For more details in investment real estate please refer to Note 4 (17).

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Ruentex Development Co., Ltd.
Statement of short-term borrowings
December 31, 2021

Unit: NTD in Thousands

<u>Types of borrowing</u>	<u>Creditor</u>	<u>Balance at the end of the period</u>	<u>Time-limit for contract</u>	<u>Interest rate collars</u>	<u>Loan limit</u>	<u>Mortgage or guarantee</u>	<u>Remarks</u>
Secured loan	Bank of Taiwan	\$ 300,000	2021.12.10–2022.03.10	0.91%~0.97%	\$ 300,000	Shares and guarantee notes NTD 300,000	
		<u>300,000</u>			<u>300,000</u>		
Credit Loan	Taishin Bank	100,000	2021.12.21–2022.01.20	0.91%~0.97%	700,000	Guarantee notes NT\$700,000	
	Bank of Taiwan	300,000	2021.10.19–2022.01.10	"	300,000	Guarantee notes NTD 300,000	
	E-Sun Bank	500,000	2021.12.22–2022.02.22	"	500,000	Guarantee notes NTD 500,000	
	Taiwan Cooperative Bank	<u>400,000</u>	2022.09.24–2022.09.23	"	<u>400,000</u>	Guarantee notes NTD 400,000	
		<u>1,300,000</u>			<u>1,900,000</u>		
		<u>\$ 1,600,000</u>			<u>\$ 2,200,000</u>		

Ruentex Development Co., Ltd.
Statement of short-term bills payable
December 31, 2021

Unit: NTD in Thousands

<u>Item</u>	<u>Guarantee or acceptance institution</u>	<u>Time-limit for contract</u>	<u>Interest rate collars</u>	<u>Amount</u>			<u>Mortgage or guarantee</u>	<u>Remark</u>
				<u>Issuing amount</u>	<u>Unamortized bond discount</u>	<u>Carrying amount</u>		
Commercial papers payable	China Bills Finance	2021.12.08-2022.03.28	0.28%~0.86%	\$ 1,210,000	(\$ 597)	\$ 1,209,403	Buildings and land held for sale, stocks, and guarantee notes NTD 1,300,000	
	Taiwan Finance Corporation	2021.11.03-2022.01.18	"	300,000	(57)	299,943	Shares and guarantee notes NTD 300,000	
	Taiwan Cooperative Bills Finance Corporation	2021.12.29-2022.01.25	"	200,000	(95)	199,905	Shares and guarantee notes NTD 250,000	
	Mega Bills Finance Corporation	2021.12.06-2022.02.10	"	1,650,000	(554)	1,649,446	Construction land in progress, stocks, and guarantee notes NTD 2,020,000	
	International Bills Finance Corporation	2021.10.12-2022.01.10	"	300,000	(44)	299,956	Shares and guarantee notes NTD 350,000	
	Dah Chung Bills Finance Corporation	2021.12.20-2022.02.16	"	50,000	(43)	49,957	Properties for sale and guarantee notes NTD 390,000	
	Ta Ching Bills Finance Corporation	2021.12.20-2022.01.19	"	100,000	(38)	99,962	Shares and guarantee notes NTD 300,000	
	Grand Bills Finance Corporation	2021.12.27-2022.03.11	"	270,000	(265)	269,735	Shares and guarantee notes NTD 350,000	
				<u>\$ 4,080,000</u>	<u>(\$ 1,693)</u>	<u>\$ 4,078,307</u>		

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Ruentex Development Co., Ltd.
Statement of long-term borrowings
December 31, 2021

Unit: NTD in Thousands

<u>Creditor</u>	<u>Summary</u>	<u>Amount borrowed</u>	<u>Time-limit for contract</u>	<u>Interest</u>	<u>Mortgage or guarantee</u>	<u>Remark</u>
Bank of Taiwan	Secured loan	\$ 2,100,000	2021.10.21-2024.09.17	0.27%~1.50%	Stocks and guarantee notes NTD 7,300,000	One-off payment upon maturity
Mega Financial Holding	"	1,960,000	2021.06.01-2023.05.31	"	Stocks and guarantee notes NTD 3,000,000	One-off payment upon maturity
Hua Nan Commercial Bank	"	50,000	2020.09.30-2025.09.30	"	Construction in progress and credit contracts NTD 1,490,000	One-off payment upon maturity
KGI Bank	"	1,300,000	2020.10.12-2027.12.10	"	Prepaid land and guarantee notes NTD 1,300,000	One-off payment upon maturity
First Bank	"	980,000	2021.03.02-2023.03.02	"	Stocks and IOUs NTD 1,000,000	One-off payment upon maturity
DBS Bank	"	300,000	2020.09.23-2023.09.30	"	Building and land held for sale and guarantee notes NTD 2,000,000	One-off payment upon maturity
Taishin International Bank	"	1,500,000	2021.05.21-2023.05.21	"	Shares and guarantee notes NTD 1,500,000	One-off payment upon maturity
Chang Hwa Bank	"	<u>2,370,000</u>	2021.06.26-2023.06.30	"	Building and land held for sale, stocks, and credit contracts NTD 3,500,000 and IOUs NTD 4,900,000	One-off payment upon maturity
		<u>10,560,000</u>				
Mizuho Bank	Credit Loan	1,040,000	2021.01.15-2023.01.15	0.27%~1.50%	Issuing guarantee notes NTD 9,000,000	One-off payment upon maturity
Bank of China	"	1,200,000	2021.03.20-2023.03.19	"	Guarantee notes NT\$1,200,000	One-off payment upon maturity
Taishin International Bank	"	1,000,000	2020.08.13-2023.08.13	"	Issuing guarantee notes NTD 1,000,000	One-off payment upon maturity
Bank of Taiwan	"	1,500,000	2019.09.10-2022.09.09	"	Issuing guarantee notes NTD 2,000,000	Evenly amortized on a quarterly basis from the third year
Mega Financial Holding	"	2,940,000	2021.06.01-2023.05.31	"	Issuing guarantee notes NTD 4,500,000	One-off payment upon maturity
Bank of East Asia	"	600,000	2021.03.11-2023.03.11	"	Issuing guarantee notes NTD 600,000	One-off payment upon maturity
Taiwan Cooperative Bank	"	80,000	2021.09.16-2023.09.16	"	IOUs issued NTD 500,000	One-off payment upon maturity
DBS Bank	"	850,000	2021.09.30-2023.03.11	"	Issuing guarantee notes NTD 1,000,000	One-off payment upon maturity
First Bank	"	550,000	2021.03.02-2023.06.22	"	Guaranteed notes issued of NTD 660,000 and IOUs issued NTD 1,000,000.	One-off payment upon maturity
Bank SinoPac	"	1,000,000	2021.08.10-2024.08.09	"	Issuing guarantee notes NTD 1,000,000	One-off payment upon maturity
Hwatai Bank	"	100,000	2021.12.16-2022.07.31	"	Issuing guarantee notes NTD 100,000	One-off payment upon maturity
National Agricultural Treasury	"	1,000,000	2021.08.16-2023.08.16	"	Issuing guarantee notes NTD 1,000,000	One-off payment upon maturity
Chang Hwa Commercial Bank	"	<u>1,000,000</u>	2021.06.30-2024.06.30	"	Credit contracts finalized NTD 1,000,000	Evenly amortized on a semi-annual basis from the second year
		<u>12,860,000</u>				
		<u>23,420,000</u>				
Mega bills syndicated loan	"	1,715,000	2020.12.11-2023.12.04	0.28%~1.50%	Issuing guarantee notes NTD 2,450,000	Long-term commercial paper, one-off payment upon maturity
Long-term commercial papers		<u>3,050,000</u>	2021.12.01-2022.02.17	0.27%~0.40%	Buildings and land held for sale, stocks, and guarantee notes NTD 4,300,000	Long-term commercial paper, one-off payment upon maturity
		4,765,000				
Less: Arrangement fees for leading banks of syndicated loan	(	922)				
Due within one year	(	3,349,822)				
Due within one operating cycle	(	50,000)				
Discount on commercial papers	(	<u>2,384</u>				
Total		<u>\$ 24,781,872</u>				

Ruentex Development Co., Ltd.
Statement of operating revenue
January 1 to December 31, 2021

Unit: NTD in Thousands

<u>Item</u>	<u>Summary</u>	<u>Amount</u>		<u>Remark</u>
		<u>Subtotal</u>	<u>Total</u>	
Revenue from contracts with customers	- Revenue from sales of goods			
Chung Lun hypermarket - Revenue from hypermarket		\$ 1,047,627		
	- Revenue from food street	<u>22,821</u>	\$ 1,070,448	
Rental income			37,034	
Revenue from contracts with customers	- Revenue from sales of real property			
Revenue from sales of house, land and parking spaces		3,793,282		
Sales of house agency, consultancy and others		<u>82,890</u>	<u>3,876,172</u>	
Subtotal			4,983,654	
Less: Sales returns			(<u>17,355</u>)	
			<u>\$ 4,966,299</u>	

(Blank below)

Ruentex Development Co., Ltd.
Statement of operating costs
January 1 to December 31, 2021

Unit: NTD in Thousands

Item	Amount	
	Subtotal	Total
Cost of sales		
Beginning inventory	\$ 81,934	
Add: Purchases for current period	785,387	
Less: Loss on physical inventory	(8,653)	
Ending inventory	(85,961)	\$ 772,707
Gain from the price recovery of inventory declines		(1,340)
Loss on physical inventory		<u>8,653</u>
		780,020
Rental cost		
Depreciation expense	28,027	
Other expense	190	28,217
Construction cost		
Prepayment for land purchases		
Beginning prepayments of land	1,175,109	
Add: Purchases for current period	689,235	
Capitalization of interest	6,416	
Less: Transferred to construction in progress	(23,247)	
Reclassified to land held for construction	(612,779)	
Reclassified to expenses	(194)	
Ending prepayments of land	<u>(1,234,540)</u>	-
Construction land		
Beginning construction land	3,045,488	
Add: Purchases for current period	3,913	
Capitalization of interest	347	
Reclassified from prepayments of land	612,779	
Less: Ending construction land	<u>(3,662,527)</u>	-
Property under construction		
Beginning construction in progress	5,657,622	
Add: Purchases for current period	2,718,299	
Capitalization of interest	48,135	
Reclassified from prepayments of land	23,247	
Less: Construction in progress at the end of the period	<u>(8,447,303)</u>	-
Real property for sale (including parking space)		
Beginning house for sale	13,490,128	
Add: Purchases for current period	42,308	
Less: Decrease in progress payments	(44,729)	
Ending house for sale	<u>(10,295,856)</u>	<u>3,191,851</u>
Total operating costs		<u>\$ 4,000,088</u>

Ruentex Development Co., Ltd.
Statement of selling expenses
January 1 to December 31, 2021

Unit: NTD in Thousands

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remark</u>
Wages and salaries	\$	142,483	
Advertisement expense		136,456	
Depreciations		103,192	
Taxes		59,113	
Cleaning administrative expense		39,575	
Utilities expense		24,922	
Insurance expense		12,872	
Repairs and maintenance expense		12,144	
Pensions		4,480	
Other expense		<u>90,609</u>	
	\$	<u>625,846</u>	

Ruentex Development Co., Ltd.
Statement of administrative and general affairs expenses
January 1 to December 31, 2021

Unit: NTD in Thousands

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remark</u>
Wages and salaries		\$ 155,332	
Depreciations		19,617	
Services expense		13,705	
Insurance expense		12,366	
Repairs and maintenance expense		7,660	
Pensions		4,965	
Other expense		<u>67,105</u>	
		<u>\$ 280,750</u>	

Ruentex Development Co., Ltd.
Statement of aggregate current-period employee benefits and depreciation expenses by function (continued)
January 1 to December 31, 2021

Unit: NTD in Thousands

Function Nature	2021			2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense						
Wages and salaries	\$ -	\$ 297,815	\$ 297,815	\$ -	\$ 287,367	\$ 287,367
Labor and Health Insurance costs	-	20,839	20,839	-	19,481	19,481
Pension expense	-	9,445	9,445	-	9,803	9,803
Directors' Remuneration	-	45,144	45,144	-	43,457	43,457
Other employee benefit expense	-	8,311	8,311	-	10,100	10,100
Depreciation expense	28,027	122,809	150,836	28,027	106,046	134,073

Notes:

1. The employees of the current year and the previous year are 309 and 329, respectively, and the directors not concurring employees are six.
2. Shall the shares of the company listed and traded in TWSE or TPEx, the following information shall be disclosed:
 - (1) The averaged employees' benefit expenses of the year was NT\$ 1,110 (Total of employees' benefit expenses - total remunerations of directors of the year/ number of the employees - numbers of directors no concurring employees of the year).
 The averaged employees' benefit expenses of the previous year was NT\$1,012 (Total of employees' benefit expenses - total remunerations of directors of the previous year/ number of the employees - numbers of directors no concurring employees of the previous year).
 - (2) The averaged employees' salary expenses of the year was NT\$983 (Total of salary expenses of the year/ number of the employees - numbers of directors no concurring employees of the year).
 The averaged employees' salary expenses of the previous year was NT\$890 (Total of salary expenses of the previous year/ number of the employees - numbers of directors no concurring employees of the previous year).
 - (3) The average adjustment to employees' salary expenses was 10.45% (Average salary expenses of the year - average salary expenses of the previous year/ average salary expenses of the previous year).
 - (4) The Company did not have any supervisors in 2021 and 2020; therefore, there is no remuneration payable to supervisors.

Ruentex Development Co., Ltd.
Statement of aggregate current-period employee benefits and depreciation expenses by function (continued)
January 1 to December 31, 2021

Unit: NTD in Thousands

(5) Please describe the company's remuneration policy (including for directors, managers and employees).

A. Remuneration for Employees

In accordance with Article 33 of the Company's Articles of Incorporation, the Company shall contribute 0.3% to 5% of the net profit before tax in each fiscal year prior to deduction of the remuneration for employees.

The remuneration to employees as stated in the preceding paragraph can be paid in cash or with stock dividends, and the object of distribution must include employees of the subordinate company that meet certain conditions.

B. Remuneration for managerial officers

In accordance with Article 31 of the Articles of Incorporation of the Company, the remuneration for the managerial officers shall be in accordance with the provisions of Article 29 of the Company Act.

C. Remuneration for directors

In accordance with Article 30 of the Articles of Incorporation of the Company, the Board of Directors is authorized to determine the remuneration 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.

The remuneration of the managerial officers and the directors shall be proposed by the Remuneration Committee and submitted to the Board of Directors for discussion and approval before being presented to the Shareholders' Meeting in accordance with the rules.

For information on the remuneration for employees and directors adopted by the Board of Directors, please refer to the Market Observation Post System of the Taiwan Stock Exchange.

Ruentex Development Co., Ltd. and subsidiaries

Endorsements and Guarantees for Others

January 1 to December 31, 2021

Attached Table I

Unit: NTD in Thousands
(Unless Stated Otherwise)

No.	Name of the company making an endorsement/guarantee	Entity for which the endorsement/guarantee is made		Maximum amount of endorsements/guarantees permitted to any single entity	Maximum balance of endorsements/guarantees for the current period	Balance of endorsements/guarantees at the end of the period	Actual amount drawn	Amount of endorsements/guarantees secured by property	Cumulative amount of endorsements/guarantees as a percentage of the net worth as stated in the latest financial statement	Maximum amount of endorsements/guarantees	Endorsements/guarantees made by the parent for its subsidiaries	Endorsements/guarantees made by the subsidiary company for its parent	Endorsements/guarantees made for the entities in mainland China	Remark
		Company name	Relationship (Note 2)											
0	Ruentex Development Co., Ltd.	Ruentex Development Co., Ltd.	2	\$ 105,175,831	\$ 8,880,000	\$ 6,200,000	\$ 2,680,000	\$ -	5.31	\$ 116,862,034	Y	N	N	Note 3
1	Ruentex Engineering & Construction Co., Ltd.	Ruentex Materials Co., Ltd.	1	924,750	31,254	31,254	31,254	-	0.47	1,849,500	Y	N	N	Notes 4

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

- (1). Please fill in 0 for the issuers.
- (2). Please fill in the Arabic numeral sequentially numbered starting from 1 for the invested companies according to the company type.

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

- (1). A company with which the Company does business.
- (2). A company in which the Company directly and indirectly holds more than 50% of the voting shares.
- (3). A company that directly and indirectly holds more than 50% of the voting shares in the Company.
- (4). A company in which the Company holds, directly or indirectly, 90%, or more of the voting shares.
- (5). A company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- (6). A company in which all capital contributing shareholders make endorsements/guarantees for their jointly invested in proportion to their shareholding percentages.
- (7). Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

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

Note 4: The maximum amount of endorsements/guarantees made by the subsidiary shall not exceed 100% or more of the paid-in capital of the Company and the amount of endorsements/guarantees made by the subsidiary for any single entity shall not exceed 50% or more of the paid-in capital of the Company.

Ruentex Development Co., Ltd. and subsidiaries

Securities held at the end of the period (not including investments in subsidiaries, associates and jointly controlled entities)

December 31, 2021

Attached Table II

Unit: NTD in T

(Unless Stated O

Company holding the securities	Type and name of the securities (Note 1)	Relationship with the issuer of securities (Note 2)	Account recognized	End of the period				Remarks
				Number of shares	Carrying amount (Note 3)	Shareholding percentage	Fair value (Note 4)	
Ruentex Development Co., Ltd.	Shares of TaiMed Biologics	The Company is a juridical person director of the company.	Financial assets at fair value through other comprehensive income - non-current	10,357,408	\$ 731,233	4.11	\$ 731,233	
	Shares of OBI Pharma, Inc.	The Company's subsidiary's representative of juridical person director is the representative of the juridical person director of the subsidiary	"	1,343,630	153,173	0.67	153,173	
	Shares of Brogent Technologies Inc.	The Company's subsidiary's representative of juridical person director is the representative of the juridical person director of the subsidiary	"	2,809,060	345,515	4.90	345,515	
	Shares of RT-Mart International Co., Ltd.	The Company is a juridical person supervisor of the company	Financial Assets at fair value through other comprehensive income acquired - Current	4,085,139	1,303,338	11.33	1,303,338	
	Shares of Pacific Resources Corporation	-	Financial assets at fair value through other comprehensive income - non-current	242,648	-	1.05	-	
	Shares of Asia Pacific Federation of Industry and Commerce	-	"	21,090	900	0.03	900	
	Subordinated debts of Nan Shan Life Insurance	One of the Company's affiliates is a controlled company of the company.	Amortized cost financial Assets - non-Current	-	60,000	-	-	
Ruentex Engineering & Construction Co., Ltd.	Shares of Ruentex Development Co., Ltd.	The company	Financial assets at fair value through other comprehensive income - non-current	7,195,154	459,051	0.34	459,051	
	Shares of Ruentex Industries Ltd.	The investment company which accounts for the Company using the equity method	"	26,197,343	2,554,241	3.57	2,554,241	
	Shares of OBI Pharma, Inc.	The Company's subsidiary's representative of juridical person director is the representative of the juridical person director of the subsidiary	"	234,295	26,710	0.12	26,710	
	Shares of Save & Safe Corporation	-	"	4,267,233	84,277	2.51	84,277	
	Shares of Powertec Electrical Chemicals Corp.	-	"	19,737,629	-	1.39	-	
	Subordinated debts of Nan Shan Life Insurance	One of the Company's affiliates is a controlled company of the company.	Amortized cost financial Assets - non-Current	-	500,000	-	-	
Ruentex Materials Co., Ltd.	Shares of Ruentex Industries Ltd.	The investment company which accounts for the Company using the equity method	Financial assets at fair value through other comprehensive income - non-current	2,100,236	204,773	0.29	204,773	
	Shares of OBI Pharma, Inc.	The Company's subsidiary's representative of juridical person director is the representative of the juridical person director of the subsidiary	"	105,433	12,019	0.05	12,019	
Ruentex Interior Design Inc.	Shares of Ruentex Industries Ltd.	The investment company which accounts for the Company using the equity method	"	854,158	83,280	0.12	83,280	

Note 1: Securities indicated in the Table refer to shares, bonds, beneficiary certificates and securities derived from the items mentioned above within the scope of IFRS No.9.

Note 2: Not required to be filled in for the issuers of securities that are not related parties.

Note 3: Please fill in the value carried at adjusted fair value less accumulated impairment losses for those measured at fair value and the value varied at acquisition cost or amortized cost less accumulated impairment losses for those not measured at fair value.

Note 4: The securities listed that are limited to their use due to the provision of security, pledge loans or others in accordance with the contract shall indicate the number of shares provided for guarantee or pledge, the amount of guarantee or pledge and the limits on the use in the in the column of "Remarks".

Ruentex Development Co., Ltd. and subsidiaries

Acquisition of real estate at costs of at least \$300 million or 20% of the paid-in capital

January 1 to December 31, 2021

Attached Table III

Unit: NTD in Thousands

The company acquiring the real estate	Name of property	Date of occurrence	Transaction amount	Amount paid	Counterparty	Relationship	The last transfer information if the counterparty is a related party				Reference basis for price decision	Purpose of acquisition and conditions of use	Other provisions
							Owner	Relationship With the Seller	Date of transfer	Amount			
Ruentex Materials Co., Ltd.	The construction of the Pingtung Ligang Factory	12.26.2019	\$ 493,351	\$ 493,351	Ruentex Engineering & Construction Co., Ltd.	Subsidiaries	N/A	N/A	N/A	N/A	Negotiated price	Self-use	-

Note 1: When an appraisal is required to be made for the acquisition of assets according to the regulation, the results of the appraisal should be indicated in the column of “reference basis for price decision.”

Note 2: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Note 3: The date of occurrence means the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of a resolution of the Board of Directors or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.

Ruentex Development Co., Ltd. and subsidiaries
Disposal of real estate at costs of at least \$300 million or 20% of the paid-in capital
January 1 to December 31, 2021

Attached Table IV

Unit: NTD in Thousands

The company disposing the real estate	Name of property	Date of occurrence	Original acquisition date	Carrying amount	Transaction amount	Amount received	Gain(loss) on disposal	Counterparty	Relationship	Purpose of disposition	Reference basis for price decision	Other provisions
Ruentex Development Co., Ltd.	One unit of house and land (23rd floor) and one B1 parking space (No. 179) at No. 39, Sec. 4, Civic Blvd., Songshan Dist., Taipei City	2021.01.14	November 28, 2012 and January 2, 2020	\$ 300,737	\$ 336,621	Received in full	\$ 35,884	Non-related parties	-	General sales	Appraisal Report of Chen-You Real Estate Appraisers Firm	-
Ruentex Development Co., Ltd.	One unit of house and land on the 2nd floor and a total of 6 parking spaces on the ground floor and the 2nd basement floor at No. 223, Bo'ai Rd., Zhongzheng Dist., Taipei City	2021.05.26	November 20, 2008 and October 4, 2013	251,638	464,629	Received in full	212,991	Non-related parties	-	General sales	Appraisal Report of G-Beam Real Estate Appraisers Firm	-
Ruentex Development Co., Ltd.	Two units of house and land (21st floor) and a total of four B1 and B2 parking spaces at No. 39-2 and -3, Sec. 4, Civic Blvd., Songshan Dist., Taipei City	2021.06.24	November 28, 2012 and January 2, 2020	342,096	389,170	Received in full	47,074	Non-related parties	-	General sales	Appraisal Report of Chen-You Real Estate Appraisers Firm	-
Ruentex Development Co., Ltd.	Three units of house and land (6th, 8th, and 9th floors) and a total of six B3 parking spaces at No. 39, Sec. 4, Civic Blvd., Songshan Dist., Taipei City	2021.07.05	November 28, 2012 and January 2, 2020	503,773	573,094	Received in full	69,321	Non-related parties	-	General sales	Appraisal Report of G-Beam Real Estate Appraisers Firm	-
Ruentex Development Co., Ltd.	One unit of house and land on the 11th floor and a total of seven B1 and B2 parking spaces at No. 221, Bo'ai Rd., Zhongzheng Dist., Taipei City	2021.12.28	November 20, 2008 and October 4, 2013	348,847	816,313	Received in full	467,466	Related parties	Other related parties	General sales	Appraisal Report of G-Beam Real Estate Appraisers Firm	-

Note 1: When an appraisal is required to be made for the disposal of assets according to the regulation, the results of the appraisal should be indicated in the column of "reference basis for price decision".

Note 2: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Note 3: The date of occurrence means the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of a resolution of the Board of Directors or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.

Ruentex Development Co., Ltd. and subsidiaries										
Total purchase from or sale to related parties amounting to at least \$100 million or 20% of the paid-in capital										
January 1 to December 31, 2021										
Attached Table V										
Unit: NTD in Thousands										
(Unless Stated Otherwise)										
<div> <div>Transaction conditions</div> <div> Difference between the terms and conditions of transaction and the general type of transaction and the reason for any such difference (Note 1) Notes receivable/payable and accounts receivable/payable </div> </div>										
<div> <div> The company making the purchase (sale) of goods Name of counterparty Relationship Purchase (sale) of goods Amount As a percentage of total purchases (sales) of goods (Note 4) Credit period Unit price Credit period Balance As a percentage of notes receivable/payable and accounts receivable/payable (Note 4) </div> </div>										
Ruentex Development Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Subsidiaries	Purchase of goods	\$ 2,556,310	60.42	Amount paid according to the prescribed period of the construction contract	Negotiated price	Amount paid according to the prescribed period of the construction contract	(\$ 78,521)	12.31
Ruentex Development Co., Ltd.	RT-MART International Co., Ltd.	The Company is a juridical person supervisor of the company	Purchase of goods	386,346	9.11	Amount paid according to the prescribed period of the procurement contract.	-	Amount paid according to the prescribed period of the procurement contract.	(72,748)	11.41
Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd.	The company	Sale of goods	2,794,375	15.57	Amount paid according to the prescribed period of the construction contract	Negotiated price	The amount shall be collected in accordance with the term of the construction contract.	78,521	3.89
Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd.	Subsidiaries	Sale of goods	807,189	4.50	The amount shall be collected in accordance with the term of the construction contract.	Negotiated price	The amount shall be collected in accordance with the term of the construction contract.	161,821	8.02
Ruentex Engineering & Construction Co., Ltd.	Ruentex Materials Co., Ltd.	Subsidiaries	Purchase of goods	146,272	1.19	The amount shall be collected in accordance with the term of the construction contract.	Negotiated price	The amount shall be collected in accordance with the term of the construction contract.	25,683	1.04
Ruentex Materials Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Subsidiaries	Sale of goods	145,445	5.53	Note 5	Negotiated price	Note 5	21,404	4.46
Ruentex Interior Design Inc.	Ren Ying Industrial	Other related parties	Sale of goods	197,913	21.73	The amount shall be collected in accordance with the term of the construction contract.	Negotiated price	The amount shall be collected in accordance with the term of the construction contract.	-	-
Note 1: If the terms and conditions of transaction with the related parties are different from the general terms and conditions of transaction, the difference and the reason for any such difference shall be specified in the column of unit price and the credit period.										
Note 2: In the case of prepayments in advance (or advance receipts), the reasons, the terms and conditions of the contract, the amount and the difference between the general type of transactions shall be specified in the column of Remarks.										
Note 3: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.										
Note 4: Calculate from the perspective of the entity of the company making the purchase (sale) of goods										
Note 5: The credit term for sales of goods is 45 days; the credit term for contracted projects is based on the schedule specified in the contracts.										

Ruentex Development Co., Ltd. and subsidiaries

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

December 31, 2021

Attached Table VI

Unit: NTD in Thousands

(Unless Stated Otherwise)

The company recognized as receivables	Name of counterparty	Relationship	Balance of accounts receivable due from related parties	Turnover	Overdue accounts receivable due from related parties		Recovered amount in subsequent periods for accounts receivable due from related parties	Provision for allowance for bad debts
					Amount	Approach to handling		
Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd.	Subsidiaries	\$ 161,821	7.92	\$ -	-	\$ 123,344	\$ -

Note 1: Please fill in the value separately according the accounts receivable, notes receivable and other receivables.

Note 2: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Ruentex Development Co., Ltd. and subsidiaries
Business relationships and significant intercompany transactions and amount between a parent and its subsidiary company, or between its subsidiaries
January 1 to December 31, 2021

Attached Table VII

Unit: NTD in Thousand
(Unless Stated Otherwise)

No. (Note 1)	Name of the transaction party	Transaction counterparty	Relationship with the transaction party (Note 2)	Transaction information			
				Account	Amount	Terms and conditions of transaction	As a percentage of the consolidated total operating revenue or total assets (Note 3)
0	Ruentex Development Co., Ltd.	Ruentex Development Co., Ltd.	1	Construction income	\$ 22,458	Note 5	0.08
		Ruentex Construction International Co., Ltd.	1	Rental income	18,316	Note 5	0.07
1	Ruentex Interior Design Inc.	Ruentex Development Co., Ltd.	2	Construction income	76,909	Notes 4	0.28
		”	2	Sales revenue	17,534	Note 5	0.06
		”	2	Receivable	18,428	Notes 4	0.01
		Ruentex Development Co., Ltd.	3	Construction income	57,045	Notes 4	0.21
		”	3	Receivable	17,603	Notes 4	0.01
		Ruentex Baiyi Co., Ltd.	3	Construction income	32,642	Notes 4	0.12
2	Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd.	2	Construction income	2,794,375	Notes 4	10.24
		”	2	Receivable	78,521	Notes 4	0.04
		”	2	Contract asset	248,494	Notes 4	0.13
		Ruentex Construction International Co., Ltd.	3	Construction income	85,173	Notes 4	0.31
		Ruentex Development Co., Ltd.	3	Construction income	807,189	Notes 4	2.96
		”	3	Receivable	161,821	Notes 4	0.08
		”	3	Contract asset	31,923	Notes 4	0.02
		Ruentex Materials Co., Ltd.	1	Service revenue	11,280	Note 5	0.04
3	Ruentex Materials Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	2	Sales revenue	112,296	Note 5	0.41
		”	2	Receivable	21,404	Note 5	0.01
		”	2	Construction income	33,148	Note 5	0.12
4	Ruentex Property Management & Maintenance Co., Ltd.	Ruentex Development Co., Ltd.	2	Service revenue	17,621	Note 5	0.06
		Ruentex Xuzhan Co. Ltd.	3	Service revenue	65,516	Note 5	0.24
		”	3	Receivable	10,316	Note 5	0.01
		Ruentex Baiyi Co., Ltd.	3	Service revenue	42,355	Note 5	0.16
		Ruentex Construction International Co., Ltd.	3	Service revenue	11,486	Note 5	0.04
5	Ruentex Security Co., Ltd.	Ruentex Xuzhan Co. Ltd.	3	Service revenue	16,731	Note 5	0.06
		Ruentex Baiyi Co., Ltd.	3	Service revenue	13,505	Note 5	0.05
		Ruentex Development Co., Ltd.	2	Service revenue	14,416	Note 5	0.05
6	Ruentex Construction Co., Ltd.	Ruentex Development Co., Ltd.	2	Construction income	20,723	Notes 4	0.08
7	Ruentex Construction International Co., Ltd.	Ruentex Xuzhan Co. Ltd.	3	Receivable	12,249	Note 7	0.01

Note 1: The information about business transactions between the parent and the subsidiary shall be indicated in the column of No. respectively. Details on how to filled in No. are as follows:

- (1). Please fill in “0” for the parent.
- (2). Please fill in the Arabic numeral sequentially numbered starting from 1 for the subsidiaries according to the company type.

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

- (1). parent and its subsidiary
- (2). Subsidiary and its parent
- (3). Subsidiary and the other subsidiary

Note 3: The transaction amount as a percentage of the consolidated total operating revenue or total assets shall be calculated at the balance at the end of period as a percentage of the consolidated total assets for assets or liabilities items, and the interim cumulative amount as a percentage of the consolidated total operating revenue for profits or losses items.

Note 4: The price shall be set according to negotiations between the two parties, and the amount shall be collected according to the prescribed period of the construction contract.

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

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

Note 7: It belongs to the collection and payment service.

Ruentex Development Co., Ltd. and subsidiaries											
The name of the invested company, the location and other relevant information (excluding the invested companies in mainland China)											
January 1 to December 31, 2021											
Attached Table VIII											Unit: NTD in Thousands (Unless Stated Otherwise)
Name of the investing company	Name of the investee company	Location	Major Operating Items	Original investment amount		Holding at the end of period			Current profit and loss of the investee company	Gains and losses on investment recognized for the current period	Remark
				End of the current period	End of last year	Shares	Ratio	Carrying amount			
Ruentex Development Co., Ltd.	Ruentex Construction International (B.V.I.) Ltd.	British Virgin Islands (BVI)	General Investment	\$ 635,403	\$ 635,403	25,000,000	100.00	\$ 1,814,857	\$ 6,713	\$ 6,713	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Design and Construction of Interior Decoration, Gardens, and Greenery	22,076	-	735,862	5.45	23,011	40,321	956	Sub-sub-subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Property Management & Maintenance Co., Ltd.	Taiwan	Mansions Management Services	15,998	15,998	2,828,650	100.00	45,461	10,103	10,103	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruen Fu Newlife Corp.	Taiwan	Senior Citizen's housing and buildings general affairs administration	12,000	9,000	1,200,000	60.00	1,162 (	12,103)	(7,262)	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Security Co., Ltd.	Taiwan	Ruentex Security Co., Ltd.	49,000	49,000	6,900,000	100.00	91,103	12,508	12,508	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Construction International Co., Ltd.	Taiwan	Operating shopping center, self-operated counter, commercial real estate leasing, residential buildings and building rental and sale business development and Enterprise Management consultant Business	1,959,299	1,058,043	200,000,000	100.00	2,561,123	91,315	91,315	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Xuzhan Co. Ltd.	Taiwan	Mall Operations and Commercial Property Leasing	1,600,000	1,600,000	160,000,000	80.00	1,973,462	255,445	204,356	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Baiyi Co., Ltd.	Taiwan	Mall Operations and Commercial Property Leasing	700,000	1,950,000	70,000,000	35.00	832,245	221,695	166,581	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Development Co., Ltd.	Taiwan	Congregate housing and commercial building rental and sale development and investment management consultant	1,988,000	1,988,000	198,800,000	70.00	2,202,214	482,864	338,005	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Taiwan	Contract of construction and civil engineering	3,052,215	3,052,215	72,397,456	39.14	1,771,448	1,842,218	655,208	Subsidiary of the Company
Ruentex Development Co., Ltd.	Ruentex Materials Co., Ltd.	Taiwan	Building materials production and distribution	44,087	44,087	15,740,381	10.49	175,744 (	103,741)	(9,116)	Sub-sub-subsidiary of the Company
Ruentex Development Co., Ltd.	Jing Hong Investment Co., Ltd.	Taiwan	General Investment	171,000	270,000	17,100,000	30.00	1,090,494	56,082	16,824	The investee company accounted for under the equity method
Ruentex Development Co., Ltd.	Ruen Chen Investment Holding Co., Ltd.	Taiwan	General Investment	19,215,000	19,125,000	5,596,250,000	25.00	95,598,228	52,526,803	13,131,701	The investee company accounted for under the equity method (Note 3)

Name of the investing company	Name of the investee company	Location	Major Operating Items	Original investment amount		Holding at the end of period			Current profit and loss of the investee company	Gains and losses on investment recognized for the current period		Remark
				End of the current period	End of last year	Shares	Ratio	Carrying amount				
Ruentex Development Co., Ltd.	Concord Greater China Ltd.	British Virgin Islands (BVI)	General Investment	\$ 409,489	\$ 409,489	10,593,334	25.46	\$ 854,718	\$ 97,738	\$ 24,884		The investee company accounted for under the equity method
Ruentex Development Co., Ltd.	Shing Yen Construction Development Co., Ltd.	Taiwan	Congregate housing and commercial building rental and sale and operation of department store business	284,147	284,147	28,414,684	45.45	294,800	(2,574)	(1,170)		The investee company accounted for under the equity method
Ruentex Development Co., Ltd.	Sunny Friend Environmental Technology Co., Ltd.	Taiwan	Waste disposal and pollution prevention equipment manufacturing	331,147	331,147	29,677,148	26.62	869,113	944,914	251,536		The investee company accounted for under the equity method (Note 1)
Ruentex Development Co., Ltd.	Global Mobile Corp.	Taiwan	Type I Telecommunications Enterprises and Communication Engineering Industry	269,443	269,443	26,082,039	9.46	-	-	-		The investee company accounted for under the equity method
Ruentex Development Co., Ltd.	Ruentex Industries Ltd.	Taiwan	Spinning, Textiles, and Manufacturing, Processing and Sales of Garments	2,537,808	2,537,808	85,436,887	11.63	9,910,887	11,757,392	1,370,103		The investment company which accounts for the Company using the equity method (Note 2)
Ruentex Development Co., Ltd.	Nan Shan Life Insurance Co., Ltd.	Taiwan	Personal insurances, including life insurance, health insurance, damage insurance or annuity.	474,720	474,720	32,047,620	0.23	1,121,541	58,643,377	135,971		The investee company accounted for under the equity method
Ruentex Construction International BVI Co., Ltd.	Ruentex Construction International Ltd.	Hong Kong	General Investment	32,860	32,860	7,800,000	100.00	20,471	(582)	(582)		Sub-subsidiary of the Company
Ruentex Construction International BVI Co., Ltd.	Sinopac Global Investment Ltd.	Cayman Islands	General Investment	640,770	640,770	19,500,000	49.06	1,020,479	15,115	7,415		The investee company accounted for under the equity method
Ruentex Engineering & Construction Co., Ltd.	Ruentex Materials Co., Ltd.	Taiwan	Building materials production and distribution	695,548	695,548	58,726,917	39.15	822,342	(103,741)	(40,616)		Sub-subsidiary of the Company
Ruentex Engineering & Construction Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Design and Construction of Interior Decoration, Gardens, and Greenery	82,365	-	2,745,483	20.34	85,307	40,321	3,022		Sub-sub-subsidiary of the Company
Ruentex Engineering & Construction Co., Ltd.	Ruentex Construction Co., Ltd.	Taiwan	Civil Engineering Projects	5,408	5,408	600,000	100.00	3,081	(6,190)	(6,190)		Sub-subsidiary of the Company
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Design and Construction of Interior Decoration, Gardens, and Greenery	140,571	140,571	5,250,000	38.89	163,130	40,321	31,242		Sub-sub-subsidiary of the Company
Ruentex Construction International Co., Ltd.	Ruentex Industries Ltd.	Taiwan	Spinning, Textiles, and Manufacturing, Processing and Sales of Garments	131,158	131,158	2,369,755	0.32	353,592	11,757,392	38,034		The investment company which accounts for the Company using the equity method
Ruentex Construction International Co., Ltd.	Ruentex Baiyi Co., Ltd.	Taiwan	Mall Operations and Commercial Property Leasing	1,300,000	-	130,000,000	65.00	1,545,598	221,695	55,114		Subsidiary of the Company
Ruentex Security Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Taiwan	Contract of construction and civil engineering	57,799	57,799	1,337,120	0.72	74,787	1,842,218	13,319		Subsidiary of the Company

Ruentex Property Management & Ruentex Engineering & Construction Co., Ltd. Maintenance Co., Ltd. Co., Ltd.	Taiwan	Contract of construction and civil engineering	15,583	15,583	361,680	0.20	20,230	1,842,218	3,603	Subsidiary of the Company
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Note 1: The provision of 29,677 thousand shares, a total of NT\$ 869,113 thousand was pledged to financial institutions for financing loans.

Note 2: The provision of 64,607 thousand shares, a total of NT\$7,494,389 thousand was pledged to financial institutions for financing loans.

Note 3: The provision of 1,248,839 thousand shares, a total of NT\$21,330,171 thousand was pledged to financial institutions for financing loans.

Ruentex Development Co., Ltd. and subsidiaries

Information on main investors

December 31, 2021

Attached Table IX

Name of Major Shareholders	Shares	
	Number of shares held	Shareholding percentage
Ruentex Industries Ltd.	541,472,450	25.70
Huei Hong Investment Co., Ltd.	155,935,143	7.40

Ruentex Development Co., Ltd.

Chairman: Jean, Tsang-Jiunn