

Stock Code: 9945



Ruentex Development Co., Ltd.

2024 Annual Meeting of Shareholders

Agenda Handbook

May 29, 2024

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I. Procedure of the 2024 Shareholders' Meeting

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

II. Agenda of the 2024 Shareholders' Meeting

Shareholders' meeting will be held by means of physical shareholders' meeting.

Time: May 29, 2024 (Wednesday) at 9:00am

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

1. Call to order
2. Chairperson's statement
3. Reported matters
 - (1) 2023 business report
 - (2) Audit Committee's review of the 2023 annual final accounting books and statements
 - (3) Report on 2023 employees' remuneration
 - (4) The amendments to the "Rules of Procedure for Board of Directors Meetings"
 - (5) Execution to the Company's "Procedures for Endorsements & Guarantees"
4. Acknowledged matters:
 - (1) Acknowledgment of the 2023 annual final accounting books and statements
 - (2) Acknowledgment of the 2023 earnings distribution
5. Matters for Discussion:
 - (1) The amendments to the Company's corporate charter
6. Motion
7. Adjournment

[Reports]

1. 2023 business report of the Company.

Business Report

Dear shareholders, ladies, and gentlemen:

Last year (2023), the real estate market became more conservative due to the amendments to the “The Equalization of Land Rights Act”. Subsequently, the Ministry of Finance launched the preferential mortgage program geared toward young adult project. In addition to increasing the loan amount, the loan term and grace period were extended, and the interest rates were more preferential than those of ordinary mortgages. Discounts have driven young people to buy houses, and the rigid demand in the housing market continues to exist. For the company with stable finances and good reputation, it still has a comparative advantage.

Last year, the consolidated operating revenue of the Company exceeded NT\$27.39414 billion, and the consolidated operating profit was more than NT\$5.01639 billion. The net profit attributable to owners of the parent was over NT\$7.74451 billion, and the earnings per share was NT\$2.65.

As for the construction business, last year’s revenue was mainly recognized from the projects of Ruentex Yangbei, Ruentex Wenhua, The Silk Court and Botanic Garden Villa. The projects under construction include the Ruentex CITY PARK, Ruentex LA GRAND RIVE GAUCHE, Ruentex LA RIVE GAUCHE, Ruentex FuYang(completed on 2024), and Qing Tian 618(completed on 2024, developed by the subsidiary, Ruentex Construction). The projects that can be launched for sales this year include Botanic Garden Villa, The Silk Court, Ruentex Xinyi, and Ruentex LA RIVE GAUCHE (presale), Ruentex LA RIVE GAUCHE (presale), and Ruentex CITY PARK (presale). In addition to the above, the Company has a number of joint construction projects in progress in the hopes of creating benefits for the Company in the most cost-effective means.

In terms of the hypermarket business, in the increasingly competitive environment of the domestic consumer market as a whole, the Company conducted a comprehensive renovation and upgrade project by adjusting the types of sales in alignment with customers' needs and adopting shop-in-shop NITORI and DECATHLON for this business. We aim to attract consumers' attention through modern stores, create more sources of customers, improve overall performance, and create more revenue and profits.

In terms of commercial property, due to the get through of COVID-19 and the willingness to go shopping outside increasing, the restaurants and shopping malls of Ruentex Xu-Zhan and Ruentex Bai-Yi, the subsidiaries, still actively launched various marketing plans to expand the number of visitors, and maintained stable profits despite the unfavorable factors in the overall market. Ruentex Xu-Zhan, has launched DON DON DONKI, selling imported vegetables and fruit, and launched the self-brand Fresh Sushi and cosmetic zone COSMEDONKI, which aims to commuters and small families. The subsidiary, Ruentex Construction, has opened the Citylink Songshan second shop, Citylink Neihu shop, and the franchise business, TSUTAYA BOOKSTORE. Then, the Tsutaya Bookstores in Songshan and Nangang were renovated by adopting Japan's Share Lounge model, thereby creating a new store type based on the "work style" concept so as to create the rail economy through the connection with the Nangang, Songshan Station and Neihu MRT Station.

In terms of reinvestment in other businesses, a total of NT\$5.987 billion was recognized in investment income using the equity method last year, mainly from the amount of the Company's investment in Nan Shan Life Insurance. The investment income on Ruentex Industries and Sunny Friend recognized in proportion to the shareholding. BOT of Nangang and Songshan Station from the subsidiary, Ruentex Xu-Zhan and Ruentex Bai-Yi, has granted stable profits and rent revenue.

Looking ahead to the future, the public's demand for a decent living environment is gradually increasing, and the Company will continue to pursue public and private legal entities, large-scale land development, urban renewal, and joint development projects to own more high-quality land in response to the market evolution and take advantage of the Group's strengths, strive to launch fine housing properties, and participate in major government public projects (such as the Company acquires the bid of Ruentex ShiMin in 2023). The Company also continues to innovate in the shopping mall business by introducing new counters and new products, while creating the value of commercial real estate and collective housing through the operation of complex shopping malls, in order to create a new foundation for future business and create the maximum performance and profits.

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

I wish all shareholders,

Good health and all the best,

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

2. Review by the Audit Committee of the report on the financial statements for 2023.

RUENTEX DEVELOPMENT CO., LTD.

Audit Report by the Auditing Commission

The Board of Directors prepared the business report, financial statements and proposal on profit distribution proposal for 2023. The financial statements were audited by Huang, Ching-Liang and Chang, Shu-Chiung, accountants of PwC Taiwan, and an audit report was issued by them. The above-mentioned business report, financial statements and proposal on profit distribution were reviewed by the Audit Committee and deemed appropriate. Therefore, in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we present this report for further examination.

To

2023 Shareholders' Meeting of Ruentex Development Co., Ltd.

Audit Committee Convener: Ko, Shun-Hsiung
March 13, 2024

3. Report on 2023 employees' remuneration

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

(2) 0.3%, or NT\$24,067,185, was set aside and all distributed in cash as the remuneration for employees.

4. The amendments to the "Rules of Procedure for Board of Directors Meetings"

Pursuant to Letter Jin-Guan-Zheng-Fa-Zi No. 1120383996, dated January 11, 2024, from the Financial Supervisory Commission(FSC), it is proposed to amend certain clauses of the “Rules of the Procedure for Shareholders’ Meetings”. For the table of comparison of clauses before and after amendment, please see Attachment 1 (p. 10 of this Handbook).

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

As of December 31, 2023, the balance of endorsements and guarantees made by the Company was NT\$6.20 billion, detailed as follows:

Recipient of credit	Recipient of endorsement/ guarantee	Reason	Duration	Amount (thousands)	Remark
KGI Commercial Bank	Ruentex Innovative Development Co., Ltd.	Bank loan	2021.7.16 ~ 2026.7.16	6,200,000	Loans guarantee
Total				6,200,000	

[Acknowledgment]

Item 1: Submitted by the Board of Directors

Matter: Acknowledgment of the 2023 annual final accounting books and statements

Description: 1. The 2023 business report (please see page 3-5 of this Handbook) and financial statements for 2023 were completed. Please see Attachment 2 (page. 12-39 of

this Handbook).

2. The financial statements for 2023 were audited by Huang, Ching-Liang and Chang, Shu-Chiung, accountants of PwC Taiwan, and an audit report with unqualified opinions was issued by them.
3. The financial statements were reviewed by the Audit Committee, with a review report issued hereby.
4. Submit for acknowledgement.

Resolution:

Item 2: Submitted by the Board of Directors

Matter: To ratify the distribution of the profit for 2023.

Descriptions:

1. The proposed distribution of the surplus of the company for 2023 based on the [Company Act] and the Articles of Incorporation of the Company are as follows:

Ruentex Development Co., Ltd.
PROFIT DISTRIBUTION TABLE
2023

Unit: NT\$

Item	Amount
Undistributed profit at the start of the year	0
Add: Earnings after tax for 2023	7,744,514,785
Actuarial gain (loss) on defined benefits	(121,634,792)
Disposal of investments in equity instruments at fair value through other comprehensive income	315,120
Less: Legal reserve set aside (10%)	(762,319,511)
Reversal of special reserve (Note)	11,387,109,929
Distributable profit	18,247,985,531
Proposal for profit distribution:	
Cash dividend (NT\$1.5 of cash per share)	4,266,337,629
Unappropriated retained earnings	13,981,647,902

Note: The undistributed earnings before the 5% undistributed earnings tax has been additionally levied on the special reserve reversal in the current period amounted to NT\$11,067,254,529.

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

2. The earnings for the current year will be used as a priority for the distribution of distributable earnings in 2023.
3. After the resolution of the annual shareholders meeting, the Chairman shall be authorized to determine the ex-dividend base date and payment date and other related matters. In case of subsequent changes to the shareholders' dividend distribution ratio, the Chairman is also authorized to handle such matters with full power.
4. Submit for acknowledgement.

Resolution:

[Discussion]

Item 1: Submitted by The Board of Directors.

Proposal: Amendment to the Company Corporate Charter (Articles of Incorporation). Please proceed to discuss.

Descriptions:

1. Based on the doubts about the measures related to a sound dividend policy issued by the Securities and Futures Bureau, Financial Supervisory Commission on November 8, 2023, the dividend policy is specifically stipulated in the Articles of Incorporation, and in accordance with the relevant amendments to the Company Act, the Company intends to amend some provisions of the "Articles of Incorporation". Please refer to Attachment 3 (page 40 of this Handbook) for the comparison table of the amended provisions.
2. This proposal is submitted for discussion.

Resolution:

[Extraordinary Motion]

[Adjournment]

III. Attachments

[Attachment 1]

Ruentex Development Co., Ltd.

Table of Comparison of Clauses Before and After Amendment of the Rules of Procedure for Board of Directors Meeting

After amendment	Before amendment	Description
<p>Article 12 (Convening of the Board Meeting)</p> <p>The chairperson of the board shall call the meeting to order immediately when more than half of the directors have attended the meeting.</p> <p>At the scheduled meeting time, if half of all directors are absent, the chairperson may announce a postponement of the meeting <u>on that day</u>. The number of postponements is limited to two times. If the quorum is still not met after two postponements, the chair may convene a new meeting in accordance with the procedures specified in Article 3, Paragraph 2 of these Rules.</p> <p>All Directors referred to in the preceding paragraph and Subparagraph 2, Paragraph 2, Article 17 shall be based on the actual number of persons currently in office.</p>	<p>Article 12 (Convening of the Board Meeting)</p> <p>The chairperson of the board shall call the meeting to order immediately when more than half of the directors have attended the meeting.</p> <p>At the scheduled meeting time, if half of all directors are absent, the chairperson may announce a postponement of the meeting. The number of postponements is limited to two times. If the quorum is still not met after two postponements, the chair may convene a new meeting in accordance with the procedures specified in Article 3, Paragraph 2 of these Rules.</p> <p>All Directors referred to in the preceding paragraph and Subparagraph 2, Paragraph 2, Article 17 shall be based on the actual number of persons currently in office.</p>	<p>Revision of this provision is made in accordance with the Financial Supervisory Commission's Order No. 1120383996 dated January 11, 2024 on the amendments to some provisions of the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies".</p>
<p>Article 13: (Discussion of proposals)</p> <p>The board meeting of the Company shall proceed in accordance with the agenda scheduled in the notice of meeting, but changes may be made with the consent of more than half of the directors present at the meeting.</p> <p>The chair may not announce the adjournment of a meeting without the consent of more than half of the directors present.</p>	<p>Article 13: (Discussion of proposals)</p> <p>The board meeting of the Company shall proceed in accordance with the agenda scheduled in the notice of meeting, but changes may be made with the consent of more than half of the directors present at the meeting.</p> <p>The chair may not announce the adjournment of a meeting without the consent of more than half of the directors present.</p>	

After amendment	Before amendment	Description
<p>If at any time during the proceeding of a board of directors meeting, the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case paragraph 2 of the preceding article shall apply mutatis mutandis.</p> <p><u>If at any time during the proceeding of a board of directors meeting, Paragraph 3 of Article 10 shall apply to the appointment of proxies if the chair is unable to preside over the meeting or adjourns the meeting without complying with the provisions of paragraph 2.</u></p>	<p>If at any time during the proceeding of a board of directors meeting, the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of meeting, in which case paragraph 2 of the preceding article shall apply mutatis mutandis.</p>	
<p>Article 19: (Supplementary provisions)</p> <p>The establishment of these Rules shall be subject to the approval of the Board of Directors, and shall be reported to the shareholders' meeting. <u>Any future amendments will be resolved by the board of directors.</u></p>	<p>Article 19: (Supplementary provisions)</p> <p>The establishment and amendment of these Rules shall be subject to the approval of the Board of Directors, <u>and shall be reported to the shareholders' meeting.</u></p>	<p>This article is amended in accordance with the “Sample Template for XXX Co., Ltd. Rules of Procedure for Board of Directors Meetings.”</p>

Independent Auditors' Report

Letter No. (2024) Cai-Shen-Bao-Zi 23005086

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, 2023 and Dec. 31, 2022, the consolidated comprehensive income statements, equity statements and cash flow statements of Ruentex Group for the period from Jan. 1 to Dec. 31, 2023 and the period from Jan. 1 to Dec. 31, 2022, 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the year 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 and issued by the Financial Supervisory Commission.

Basis of Audit Opinions

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the section of "Responsibilities of the Accountants for the Audit of Consolidated Financial Statements" in our report. We are independent of 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 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

Accuracy of Investment Balance Accounted for using equity method

Description of Key Audit Matters

As of December 31, 2023, Ruentex Development Group's investments accounted under equity method were NT\$81,078,232 thousand, representing 45.83% of the total consolidated assets. Please refer to Note 4(14) for accounting policies on investments accounted under equity method and Note 6(7) for details.

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, 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 Recognition of Construction Contract Income - Construction Completion Progress

Description of Key Audit Matters

For the year of 2023, the Group's construction contract revenue was NT\$12,977,820 thousand, representing 47.37% of consolidated operating revenue. Please see Note 4(28) for accounting policies on revenue recognition, Note 5(2) for critical accounting estimates and assumptions and Note 6(23) for details of significant accounts.

Ruentex Group's recognition of construction revenue is based on the stage of completion of a construction 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 contract income, and the construction total cost items are complicated and often involving high degree of estimation, such that it can cause major uncertainty, consequently, we will list the assessment on the construction completion progress used in the recognition of construction contract income as one of the key matters in this year's audit.

Corresponding Audit Procedures

We summarize the audit procedures executed for the aforementioned key audit matters 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 on-site observation and interviews at major construction sites still in progress at the end of the sampling period to confirm that the progress of such projects was proceeding as scheduled.
4. We obtained details of construction profit or loss and performed substantive procedures, including randomly checking the incurred cost of current period with the appropriate evidence, and additional or less work with the supporting documents, and recalculated the stage of completion to ensure a reasonable recognition of construction contract revenue.

Accuracy of Time for Recognition of Construction Cost

Description of Key Audit Matters

Please refer to Note 4(28) for accounting policies on the recognition of construction cost and Note 6(24) for details.

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.

Measurement of Investment Property Fair Value

Please refer to Notes 4(17) to the consolidated financial statements for the accounting policy on investment property; Note 5(2) for the uncertainties of accounting estimates and assumptions; Note 6(11) for the details of accounting titles; Note 12(3) for the details of fair values.

The investment property held by Ruentex Development Group is subsequently measured at fair value. As the assessment of fair value involves significant accounting estimates and judgments by management, the auditor will list the fair value assessment of investment properties is the most important matter for audit during the period.

Corresponding Audit Procedures

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

1. Valuation of the professional competence and independence of the independent appraiser by the management. And discuss with management the scope of work and appointment method of the valuation personnel to ensure that there are no factors that affect their independence or limit their scope of work.
2. Evaluate the judgments made by the independent appraiser used by management, including whether the appraisal method and the key assumptions used are reasonable.
3. Verify the accuracy and completeness of the data used by the independent valuer employed by the management during the evaluation process.

Other Matters - Reference to Audits by Other Accountants

We did not audit the financial statements of multiple subsidiaries and investments accounted under the equity method that are included in Ruentex Group's consolidated financial statements. Those statements were audited by other independent accountants whose report thereon has been furnished to us, and our opinion expressed herein is based solely on the audit reports issued by other independent accountants. The total assets of the aforementioned subsidiaries as of December 31, 2023 and 2022, were NT\$84,133 thousand and NT\$61,220 thousand, respectively, and constituted 0.05% and 0.04% of total consolidated assets. Their total operating income of NT\$52,624 thousand and NT\$44,299 thousand for the period from Jan. 1 to Dec. 31, 2023 and the period from Jan. 1 to Dec. 31, 2022, constituting 0.19% and 0.14% of total consolidated operating income. The aforementioned investments recognized under equity method as of December 31, 2023 and 2022 were NT\$1,875,990 thousand and NT\$2,260,558 thousand, respectively, and constituted 1.06% and 1.37% 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\$(289,518)thousand and NT\$(810,898) thousand for the period from Jan. 1 to Dec. 31, 2023 and the period from Jan. 1 to Dec. 31, 2022, respectively, constituting 1.45% and 1.56% of total consolidated comprehensive income.

Other Matters- Unconsolidated Financial Report

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, 2023 and 2022.

Responsibilities of the Management and Governing Bodies for Consolidated Financial Statements

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

In preparing the consolidated financial statements, the management is responsible for assessing 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 auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatement may be caused by fraud or error. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards in the Republic of China, we exercise professional judgment and 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 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Huang,Chin-Lien

CPA

Chang,Shu-Chiung

Financial Supervisory Commission

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

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

March 13, 2024

Ruentex Development Co., Ltd. and the Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ thousands

Assets		Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 3,930,166	2	\$ 9,693,315	6
1136	Financial assets measured by amortized cost - current	6(6)	-	-	75,000	-
1140	Contract asset - current	6(23) and 7	4,244,747	2	5,085,558	3
1150	Net bills receivable	6(2)	977,419	1	605,384	1
1160	Bills receivable - related parties - net	6(2) and 7	-	-	4	-
1170	Net Accounts Receivable	6(2)(10)	2,602,811	2	1,905,355	1
1180	Accounts receivable - related parties - net	6(2) and 7	35,451	-	2,196	-
1200	Other receivables		18,405	-	163,709	-
1210	Other Receivables - related party	7	10,645	-	10,211	-
1220	Current tax assets		87	-	6,129	-
130X	Inventories	6(3), 7, and 8	31,589,191	18	28,986,866	18
1410	Prepaid Expenses		797,226	-	586,264	-
1470	Other Current Assets	6(1)(4) and 8	1,448,077	1	1,941,170	1
11XX	Total current assets		45,654,225	26	49,061,161	30
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(5), 7 and 8	5,242,131	3	5,204,985	3
1535	Amortized cost financial Assets - non-Current	6(6)	560,000	-	560,000	-
1550	Investment accounted for under the equity method	6(7), 7 and 8	81,078,232	46	64,156,525	39
1600	Property, plant, and equipment	6(8), 7, and 8	5,571,013	3	5,633,361	4
1755	Right-of-use assets	6(9), 7 and 8	2,646,917	2	3,007,415	2
1760	Net value of investment properties	6(11) and 8	34,586,648	20	35,125,131	21
1780	Intangible Assets	6(12)	205,467	-	209,045	-
1840	Deferred tax Assets	6(31)	831,457	-	833,816	1
1930	Long-term notes and accounts receivable	6(10)	213,197	-	294,915	-
1990	Other non-current assets - others	6(1)(13) and 8	319,802	-	401,662	-
15XX	Total non-current assets		131,254,864	74	115,426,855	70
1XXX	Total Assets		\$ 176,909,089	100	\$ 164,488,016	100

(Continued)

Ruentex Development Co., Ltd. and the Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ thousands

Liabilities and Equity			December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(14) and 8	\$ 6,044,000	3	\$ 9,162,000	6
2110	Short-term bills payable	6(15) and 8	3,509,043	2	3,851,231	2
2130	Contract liabilities - current	6(23) and 7	4,085,357	2	3,141,490	2
2150	Notes payable		937,539	1	1,099,548	1
2160	Notes payable - related party	7	3,948	-	3,408	-
2170	Accounts Payable		3,569,803	2	4,215,666	3
2180	Accounts payable - related party	7	6,575	-	219	-
2200	Other payables		1,462,231	1	1,337,793	1
2230	Income tax liabilities of current period		778,008	1	898,123	-
2280	Lease liabilities - current	6(9) and 7	291,293	-	275,561	-
2310	Advance receipts	6(17)	171,184	-	176,006	-
2320	Long-term liabilities due within one year or one operating cycle	6(16) and 8	10,637,005	6	9,820,060	6
2399	Other current liabilities - other		25,025	-	12,615	-
21XX	Total Current Liabilities		31,521,011	18	33,993,720	21
Non-current liabilities						
2540	Long-term Loan	6(16) and 8	27,123,600	15	27,649,191	17
2570	Deferred income tax liabilities	6(31)	3,893,950	2	3,945,974	2
2580	Lease liabilities - non-current	6(9) and 7	10,599,816	6	10,803,069	7
2670	Other non-current liabilities - others	6(17), (18)	1,955,394	1	1,989,945	1
25XX	Total Non-Current Liabilities		43,572,760	24	44,388,179	27
2XXX	Total Liabilities		75,093,771	42	78,381,899	48
Equity						
Equity attributed to owners of the parent						
Capital						
3110	Share capital	6(19)	28,442,251	16	31,602,501	19
Capital surplus						
3200	Capital surplus	6(20)	17,730,264	10	17,616,034	11
Retained earnings						
3310	Statutory reserves	6(21)	8,007,702	5	6,962,392	4
3320	Special reserve		58,772,480	33	20,326,692	12
3350	Undistributed earnings		7,623,193	4	39,491,098	24
Other equities						
3400	Other equities		(26,048,552)	(14)	(37,115,807)	(22)
3500	Treasury stock	6(19)	(81,449)	-	(84,639)	-
31XX	Total equity attributable to owners of the parent company		94,445,889	54	78,798,271	48
36XX	Non-controlling Interest	4(3) and 6(32)	7,369,429	4	7,307,846	4
3XXX	Total Equity		101,815,318	58	86,106,117	52
Significant contingent liabilities and unrecognized contractual commitments						
Significant subsequent events						
3X2X	Total Liabilities and Equity		\$ 176,909,089	100	\$ 164,488,016	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 Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ thousands
2022

Item	Notes	2023		2022	
		Amount	%	Amount	%
4000 Operation income	6(23) and 7	\$ 27,394,143	100	\$ 32,247,177	100
5000 Operation cost	6(3)(18)(24)				
	(29)(30)and 7	(20,213,330)	(74)	(25,037,789)	(78)
5900 Gross profit		7,180,813	26	7,209,388	22
Operating Expenses	6(18)(29)(30) and 7				
6100 Selling expenses		(862,353)	(3)	(903,606)	(3)
6200 General & administrative expenses		(1,209,619)	(5)	(1,209,166)	(4)
6300 R&D expenses		(88,842)	-	(71,846)	-
6450 Expected credit impairment (losses) gains	12(2)	(3,601)	-	266	-
6000 Total Operating Expenses		(2,164,415)	(8)	(2,184,352)	(7)
6900 Operating Profit		5,016,398	18	5,025,036	15
Non-operating Income and Expenses					
7100 Interest revenue	6(6)(25)and 7	222,075	1	139,450	-
7010 Other income	6(5)(26)	277,197	1	340,330	1
7020 Other gains and losses	6(11)(27)	(820,165)	(3)	(2,404,344)	(7)
7050 Financial Costs	6(28) and 7	(869,064)	(3)	(690,346)	(2)
7060 Share of income of associates and joint ventures accounted for using the equity method	6(7)	5,986,575	22	8,351,230	26
7000 Total non-operating income and expenses		4,796,618	18	5,736,320	18
7900 Net profit before tax		9,813,016	36	10,761,356	33
7950 Income tax expense	6(31)	(784,957)	(3)	(488,359)	(1)
8200 Net income of current period		\$ 9,028,059	33	\$ 10,272,997	32

(Continued)

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 Balance Sheet
December 31, 2023 and 2022

				Unit: NT\$ thousands	
Item		Notes	2023		2022
			Amount	%	Amount
					%
Other comprehensive income (net)					
Items not to be reclassified into profit or loss					
8311	Remeasurement of defined benefit plan	6(18)	\$ 6,258	-	\$ 22,280
8312	Property revaluation surplus	6(22)	(16,213)	-	-
8316	Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(5)	42,727	-	(667,961)
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(22)	(119,123)	-	105,991
8349	Income tax relating to non-reclassified items	6(31)	906	-	77,536
8310	Total of items not to be reclassified into profit or loss		(85,445)	-	(462,154)
Items may be reclassified subsequently to profit or loss					
8361	Exchange differences on translating foreign operations	6(22)	(1,046)	-	286,748
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(22)	11,038,533	40	(62,701,231)
8399	Income tax related to items may be reclassified into profit or loss	6(31)	(18,645)	-	458,127
8360	Total of items may be reclassified subsequently to profit or loss		11,018,842	40	(61,956,356)
8300	Other comprehensive income (net)		\$ 10,933,397	40	(\$ 62,418,510)
8500	Total Comprehensive Income Current Period		\$ 19,961,456	73	(\$ 52,145,513)
Profit attributable to:					
8610	Owners of the parent		\$ 7,744,515	28	\$ 9,155,086
8620	Non-controlling Interest		\$ 1,283,544	5	\$ 1,117,911
Comprehensive Income attributed to:					
8710	Owners of the parent		\$ 18,690,448	68	(\$ 52,886,144)
8720	Non-controlling Interest		\$ 1,271,008	5	\$ 740,631
Earnings per share					
9750	Basic earnings per share	6(33)	\$ 2.65		\$ 3.00
9850	Diluted earnings per share		\$ 2.65		\$ 3.00

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, 2023 and 2022

Unit: NT\$ thousands

	Notes	Equity attributed to owners of the parent							Non-controlling Interest	Total Equity
		Share capital	Capital surplus	Statutory reserves	Special reserve	Undistributed earnings	Other equities	Treasury stock		
<u>2022</u>										
Balance on January 1, 2022		\$ 21,068,334	\$ 18,349,086	\$ 5,318,436	\$ 20,326,692	\$ 45,429,787	\$ 26,498,345	(\$ 84,639)	\$ 136,906,041	\$ 7,704,322
Net income of current period	6(21), (32)	-	-	-	-	9,155,086	-	-	9,155,086	1,117,911
Other comprehensive income	6(22)(32)	-	-	-	-	274,568	(62,315,798)	-	(62,041,230)	(377,280)
Total Comprehensive Income Current Period		-	-	-	-	9,429,654	(62,315,798)	-	(52,886,144)	740,631
Appropriation and distribution of the earnings for 2021:	6(21)									
Statutory reserves		-	-	1,643,956	-	(1,643,956)	-	-	-	-
Cash dividends		-	-	-	-	(4,213,667)	-	-	(4,213,667)	(4,213,667)
Share dividend		10,534,167	-	-	-	(10,534,167)	-	-	-	-
Reversal of dividends unclaimed by shareholders with claim period elapsed	6(20)	-	(117)	-	-	-	-	-	(117)	(117)
Changes in associates & joint ventures accounted for using equity method	6(20)	-	29,741	-	-	-	-	-	29,741	29,741
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	6(21)(22)	-	-	-	-	1,298,632	(1,298,632)	-	-	-
Disposal of equity in subsidiaries (without losing control)	6(32)	-	3,674	-	-	-	278	-	3,952	25,706
Adjustments to cash capital increases of associates not recognized in proportion to the shareholding	6(7)(20)	-	(766,350)	-	-	(275,185)	-	-	(1,041,535)	(1,041,535)
Decrease in non-controlling interests	6(32)	-	-	-	-	-	-	-	(1,162,813)	(1,162,813)
Balance on December 31, 2022		\$ 31,602,501	\$ 17,616,034	\$ 6,962,392	\$ 20,326,692	\$ 39,491,098	(\$ 37,115,807)	(\$ 84,639)	\$ 78,798,271	\$ 7,307,846
<u>2023</u>										
Balance on January 1, 2023		\$ 31,602,501	\$ 17,616,034	\$ 6,962,392	\$ 20,326,692	\$ 39,491,098	(\$ 37,115,807)	(\$ 84,639)	\$ 78,798,271	\$ 7,307,846
Net income of current period	6(21), (32)	-	-	-	-	7,744,515	-	-	7,744,515	1,283,544
Other comprehensive income	6(22)(32)	-	-	-	-	(121,637)	11,067,570	-	10,945,933	(12,536)
Total Comprehensive Income Current Period		-	-	-	-	7,622,878	11,067,570	-	18,690,448	1,271,008
Appropriation and distribution of the earnings for 2022:	6(21)									
Statutory reserves		-	-	1,045,310	-	(1,045,310)	-	-	-	-
Special reserve		-	-	-	38,445,788	(38,445,788)	-	-	-	-
Cash Reduction	6(19)	(3,160,250)	-	-	-	-	-	3,190	(3,157,060)	(3,157,060)
Dividends not claimed by shareholders in the given period of time	6(20)	-	1,717	-	-	-	-	-	1,717	1,717
Changes in associates & joint ventures accounted for using equity method	6(20)	-	22,391	-	-	-	-	-	22,391	22,391
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	6(21)(22)	-	-	-	-	315	(315)	-	-	-
Adjustments to cash capital increases of associates not recognized in proportion to the shareholding	6(7)(20)	-	90,122	-	-	-	-	-	90,122	-
Decrease in non-controlling interests	6(32)	-	-	-	-	-	-	-	(1,209,425)	(1,209,425)
Balance on December 31, 2023		\$ 28,442,251	\$ 17,730,264	\$ 8,007,702	\$ 58,772,480	\$ 7,623,193	(\$ 26,048,552)	(\$ 81,449)	\$ 94,445,889	\$ 7,369,429

The accompanying notes are in integral part of these consolidated financial statements.
Manager: Lee, Chih-Hung

Chairman: Jean, Tsang-Jiunn

Accounting Manager: Lin, Chin-Tzu

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

	Notes	2023	Unit: NT\$ thousands 2022
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 9,813,016	\$ 10,761,356
Adjustments			
Income and expenses			
Depreciation expense	6 (29)	668,647	630,601
Amortization	6 (29)	14,371	13,535
Expected credit impairment (losses) gains	6 (29)	3,601 (	266)
Interest Cost	6(28)	869,064	690,346
Interest revenue	6(25)	(222,075 ) (	( 139,450)
Dividend income	6(5)(26)	(122,302 ) (	( 185,085)
Share of profit of associates accounted for using the equity method	6(7)	(5,986,575 ) (	( 8,351,230)
Loss (gain) on disposal of property, plant and equipment	6(27)	10 (	10,481)
Fair value adjustment loss - investment property	6(27)	872,462	2,910,132
Gains on lease modifications	6(9)(27)	- (	175)
Other income	6(26)	(17,897 ) (	( 19,250)
Prepaid equipment transferred to R&D expenses	6(34)	1,087	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contractual assets - Current		840,811 (	2,061,228)
Notes receivable	(	372,035)	571,600
Notes Receivable – related party		4 (	4)
Accounts receivable	(	701,057 ) (	577,586)
Accounts receivable - related party	(	33,255 ) (	1,651)
Other receivables		145,061 (	129,504)
Other receivables - related Party	(	434)	2,933
Inventories	(	2,343,204)	41,228
Prepaid Expenses	(	210,962 ) (	52,905)
Other Current Assets	(	55,517)	64,778
Long-term notes and accounts receivable		81,718	73,346
Other non-current Assets	(	173 ) (	4,152)
Net change in liabilities related to operating activities			
Contractual Liabilities - Current		943,867 (	258,821)
Notes payable	(	162,009)	189,745
Notes Payable – related Party		540 (	57,791)
Accounts Payable	(	645,863)	1,272,639
Accounts Payable – related Party		6,356 (	11,128)
Other payables		160,848	315,229
Advance receipts	(	4,822)	24,421
Other Current liabilities		16,337	2,195
Other non-Current liabilities	(	113,741)	6,897
Cash flow in from operating		3,445,879	5,710,274
Interest received		222,469	124,809
Amount of interest Paid	(	1,143,572 ) (	( 833,649)
Dividends received		684,141	2,220,385
Income tax refunded		6,049	2,951
Income tax paid	(	986,099 ) (	( 1,017,798)
Cash inflow from operating activities		2,228,867	6,206,972

(Continued)

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

	Notes	2023	Unit: NT\$ thousands 2022
<u>Cash flows from investing activities</u>			
Acquisition of financial Assets at fair value through other comprehensive income acquired - non-Current	6(34)	\$ -	(1,679,621)
Proceeds from disposal of financial Assets at fair value through other comprehensive income acquired - non-current	6(5)	-	1,299,428
Acquisition of financial Assets at fair value through other comprehensive income acquired - non-Current; consider a dividend returned at initial holding cost	6(5)	4,083	-
Share capital returned from capital reduction in financial assets at fair value through other comprehensive income - non-current	6(5)	1,498	849
Acquisition of financial assets measured at amortized costs - current		(360)	(75,000)
Disposal of financial assets measured at amortized costs - current		75,360	319,000
Investment accounted for under the equity method	6(7)	(568,161)	(3,777,878)
Return of funds to reduced investment adopting the Equity method	6(7)	105,363	-
Real estate, plant and equipment acquired	6(34)	(468,362)	(381,476)
Disposal the payment of property, plant and equipment		110	17,238
Investment real estate acquired	6(11)	-	(2,628)
Acquisition of intangible assets	6(12)	(10,793)	(31,111)
Decrease (increase) in other financial assets		590,206	(471,245)
Increase in prepayments for equipment		(15,683)	(53,438)
Cash used in investing activities		(286,739)	(4,835,882)
<u>Cash flows from financing activities</u>			
Net increase (decrease) in short-term borrowings	6(35)	(3,118,000)	6,882,000
Net decrease in short-term bills payable	6(35)	(345,000)	(1,275,000)
Amount of long-term borrowings	6(35)	40,742,000	51,739,288
Repayments of long-term borrowings	6(35)	(40,436,000)	(52,790,000)
Increase in guarantee deposits	6(35)	79,190	119,398
Cash dividends paid	6(21)	-	(4,213,667)
Principal elements of lease payments	6(9)(35)	(279,179)	(271,468)
Changes in non-controlling interest	6(32)	(1,209,425)	(1,162,813)
Cash Reduction	6(19)	(3,160,250)	-
Disposal of subsidiary (without losing control)		-	29,910
Cash used in financing activities		(7,726,664)	(942,352)
Effects of exchange rate change on cash		21,387	101,825
Increase (decrease) of cash and cash equivalents – current period		(5,763,149)	530,563
Cash and cash equivalents, beginning of period		9,693,315	9,162,752
Cash and cash equivalents, end of period		\$ 3,930,166	\$ 9,693,315

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

Independent Auditors' Report

Letter No. (2024) Cai-Shen-Bao-Zi 23004934

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

We have audited the accompanying financial statements of Ruentex Development Co., Ltd. (the Company), which comprise the unconsolidated balance sheets as of December 31, 2023 and 2022 and the unconsolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the 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 are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the Company for the year ended December 31, 2023. These matters were addressed in the context of our audit opinion of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's unconsolidated financial statements for the year ended December 31, 2023 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, 2023 was NT\$101,520,448 thousand, representing 76.92% of total assets. For the accounting policy related to investments under equity method, please refer to Unconsolidated Financial Statements Note 4(13). For the explanation on the accounts, please refer to Financial Statements Note 6(7).

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(13). For the explanation on the accounts, please refer to Financial Statements Note 6(7).

On December 31, 2023, 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 2023 have significant impacts on the parent company only financial statements of the Company, we listed the key audit matters of Ruentex Engineering & Construction - assessment on Ruentex Engineering & Construction of construction contract 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 Contract Income - Construction Completion Progress

Description of Key Audit Matters

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

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

Corresponding Audit Procedures

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

1. Based on our understanding of the business operation and nature of industry of Ruentex Engineering & Construction, we assessed the internal operation procedures used in the estimation of construction total cost, including the quantitative unit of building structural drawings of owners in order to determine the procedures for each construction cost (contracting works and material/labor expense) and the consistency of the estimation method.
2. We assessed and tested the internal controls that would affect the recognition of construction contract revenue based on stage of completion, including verifying the evidence of additional or less work and significant constructions.
3. We conducted on-site observation and interviews at major construction sites still in progress at the end of the sampling period to confirm that the progress of such projects was proceeding as scheduled.
4. We obtained details of construction profit or loss and performed substantive procedures, including randomly checking the incurred cost of current period with the appropriate evidence, and additional or less work with the supporting documents, and recalculated the stage of completion to ensure a reasonable recognition of construction contract revenue.

Accuracy of Time for Recognition of Construction Cost

Description of Key Audit Matters

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:

4. 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.
5. 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.

Assessment of the fair value of investment property (including investment property held by subsidiaries under the equity method)

For the main sources of uncertainty in the accounting policies and critical accounting judgments, estimates and assumptions of the investment property, please refer to Notes 4(16) and 5 of the parent company only financial statements. For explanation of accounting items, please refer to Note 6(10) of the parent company only financial statements.

The investment property (including investment property held by subsidiaries under the equity method) held by Ruentex Development is subsequently measured at fair value. Since the assessment of fair value involves significant accounting estimates and judgments of the management, we have listed the fair value assessment of the investment properties held by Ruentex Development (including subsidiaries invested under the equity method) as one of the most important audit matters of the year.

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

1. Valuation of the professional competence and independence of the independent appraiser by the management. And discuss with management the scope of work and appointment method of the valuation personnel to ensure that there are no factors that affect their independence or limit their scope of work.
- 2.

3. Evaluate the judgments made by the independent appraiser used by management, including whether the appraisal method and the key assumptions used are reasonable.
4. Verify the accuracy and completeness of the data used by the independent valuer employed by the management during the evaluation process.

- Reference to Audits by Other Accountants

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. The balances of the investment in the aforementioned companies under the equity method as of December 31, 2023 and 2022 were NT\$1,892,327 thousand and NT\$2,264,563 thousand, respectively, or 1.43% and 1.89% of total assets, respectively. From January 1 to December 31, 2023 and 2022, the share of income and other comprehensive income of the subsidiaries, affiliates and joint ventures recognized under the equity method were NT\$(295,185) thousand and NT\$(820,057) thousand, respectively, accounting for 1.58% and 1.55% of the comprehensive 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 in the Republic of China will always detect a material misstatement when it exists. Misstatement may be caused by fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

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

1. Identify and assess the risk of material misstatement of the unconsolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidences in order to be used as the basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Huang,Chin-Lien

CPA

Chang,Shu-Chiung

Financial Supervisory Commission

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

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

March 13, 2024

Ruentex Development Co., Ltd.
Unconsolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ thousands

Assets			December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 1,494,465	1	\$ 5,695,200	5
1150	Net bills receivable	6(2)	-	-	29,476	-
1170	Net Accounts Receivable	6(2)	12,151	-	13,263	-
1180	Accounts receivable - related parties - net	6(2) and 7	916	-	635	-
1200	Other receivables		8,270	-	156,269	-
1210	Other Receivables - related party	7	1,112	-	1,345	-
130X	Inventories	6(3), 7, and 8	22,084,796	17	21,891,150	18
1410	Prepaid Expenses		222,362	-	72,269	-
1470	Other Current Assets	6(1)(4) and 8	774,637	1	1,308,585	1
11XX	Total current assets		24,598,709	19	29,168,192	24
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(5), 7 and 8	1,274,216	1	1,197,460	1
1535	Amortized cost financial Assets - non-Current	6(6)	60,000	-	60,000	-
1550	Investment accounted for under the equity method	6(7), 7 and 8	101,520,448	77	84,913,903	71
1600	Property, plant, and equipment	6(8)	111,937	-	139,128	-
1755	Right-of-use assets	6(9)	502,859	-	595,476	-
1760	Net value of investment properties	6(10) and 8	3,128,890	2	3,085,330	3
1840	Deferred tax Assets	6(28)	632,787	1	649,268	1
1900	Other non-current Assets	6(1)(31) and 8	146,392	-	158,704	-
15XX	Total non-current assets		107,377,529	81	90,799,269	76
1XXX	Total Assets		\$ 131,976,238	100	\$ 119,967,461	100

(Continued)

Ruentex Development Co., Ltd.
Unconsolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ thousands

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(12) and 8	\$ 4,400,000	3	\$ 5,295,000	5
2110	Short-term bills payable	6(13) and 8	2,559,620	2	2,587,360	2
2130	Contract liabilities - current	6(20) and 7	1,601,518	1	1,933,272	2
2150	Notes payable		100,685	-	87,311	-
2160	Notes payable - related party	7	205,251	-	66,274	-
2170	Accounts Payable		170,955	-	377,789	-
2180	Accounts payable - related party	7	946,888	1	891,170	1
2200	Other payables		390,994	-	356,736	-
2230	Income tax liabilities of current period		146,520	-	263,819	-
2280	Lease liabilities - current	6(9)	93,086	-	91,959	-
2320	Long-term liabilities due within one year or one operating cycle	6(14) and 8	4,603,750	4	5,570,060	5
2399	Other current liabilities - other		139,211	-	141,072	-
21XX	Total Current Liabilities		15,358,478	11	17,661,822	15
Non-current liabilities						
2540	Long-term Loan	6(14) and 8	19,616,785	15	20,964,159	17
2570	Deferred income tax liabilities	6(28)	1,003,555	1	972,302	1
2580	Lease liabilities - non-current	6(9)	431,562	-	524,648	-
2600	Other non-Current liabilities	6(15)	1,119,969	1	1,046,259	1
25XX	Total Non-Current Liabilities		22,171,871	17	23,507,368	19
2XXX	Total Liabilities		37,530,349	28	41,169,190	34
Equity						
	Capital	6(16)				
3110	Share capital		28,442,251	22	31,602,501	26
	Capital surplus	6(17)				
3200	Capital surplus		17,730,264	13	17,616,034	14
	Retained earnings	6(18)				
3310	Statutory reserves		8,007,702	6	6,962,392	6
3320	Special reserve		58,772,480	45	20,326,692	17
3350	Undistributed earnings		7,623,193	6	39,491,098	33
	Other equities	6(19)				
3400	Other equities		(26,048,552)	(20)	(37,115,807)	(30)
3500	Treasury stock	6(7) (16)	(81,449)	-	(84,639)	-
3XXX	Total Equity		94,445,889	72	78,798,271	66
	Significant contingent liabilities and unrecognized contractual commitments	9				
	Significant subsequent events	11				
3X2X	Total Liabilities and Equity		\$ 131,976,238	100	\$ 119,967,461	100

The attached unconsolidated financial statement and notes are parts of this unconsolidated 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, 2023 and 2022

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

	Item	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operation income	6(20) and 7	\$ 8,025,879	100	\$ 10,812,961	100
5000	Operation cost	6(2)(212)(26) (27) and 7	(5,808,188)	(72)	(8,374,384)	(77)
5900	Gross profit		<u>2,217,691</u>	<u>28</u>	<u>2,438,577</u>	<u>23</u>
	Operating Expenses	6(15)(26) (27) and 7				
6100	Selling expenses		(625,724)	(8)	(710,666)	(7)
6200	General & administrative expenses		(289,830)	(4)	(267,617)	(2)
6450	Expected credit impairment gains	12(2)	88	-	165	-
6000	Total Operating Expenses		(915,466)	(12)	(978,118)	(9)
6900	Operating Profit		<u>1,302,225</u>	<u>16</u>	<u>1,460,459</u>	<u>14</u>
	Non-operating Income and Expenses					
7100	Interest revenue	6(6)(22)and 7	140,388	2	96,590	1
7010	Other income	6(5)(23)	18,657	-	19,334	-
7020	Other gains and losses	6(24)	104,770	1	406,131	4
7050	Financial Costs	6(3)(9)(25)	(415,851)	(5)	(306,542)	(3)
7070	Share of other comprehensive gains and losses of subsidiaries, affiliates and joint ventures recognized using the Equity method	6(7)	<u>6,848,139</u>	<u>86</u>	<u>7,814,291</u>	<u>72</u>
7000	Total non-operating income and expenses		<u>6,696,103</u>	<u>84</u>	<u>8,029,804</u>	<u>74</u>
7900	Net profit before tax		<u>7,998,328</u>	<u>100</u>	<u>9,490,263</u>	<u>88</u>
7950	Income tax expense	6(28)	(253,813)	(3)	(335,177)	(3)
8200	Net income of current period		<u>\$ 7,744,515</u>	<u>97</u>	<u>\$ 9,155,086</u>	<u>85</u>
	Other comprehensive income					
	Items not to be reclassified into profit or loss					
8311	Remeasurement of defined benefit plan	6(15)	(\$ 4,451)	-	\$ 9,101	-
8316	Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(5)	82,337	1	(52,351)	(1)
8330	Share of other comprehensive income of subsidiaries, associates & joint ventures accounted for using equity method - items not to be reclassified into profit or loss	6(19)	23,252	-	114,558	1
8349	Income tax relating to non-reclassified items	6(19) (28)	(3,100)	-	83,270	1
8310	Total of items not to be reclassified into profit or loss		<u>98,038</u>	<u>1</u>	<u>154,578</u>	<u>1</u>
	Items may be reclassified subsequently to profit or loss					
8361	Exchange differences on translating foreign operations		(1,046)	-	286,748	3
8380	Share of other comprehensive income of subsidiaries, associates & joint ventures accounted for using equity method - items that may be reclassified to profit or loss	6(19)	10,861,293	135	(62,939,624)	(582)
8399	Income tax related to items may be reclassified into profit or loss	6(19) (28)	(12,352)	-	457,068	4
8360	Total of items may be reclassified subsequently to profit or loss		<u>10,847,895</u>	<u>135</u>	<u>(62,195,808)</u>	<u>(575)</u>
8300	Other comprehensive income (net)		<u>\$ 10,945,933</u>	<u>136</u>	<u>(\$ 62,041,230)</u>	<u>(574)</u>
8500	Total Comprehensive Income Current Period		<u>\$ 18,690,448</u>	<u>233</u>	<u>(\$ 52,886,144)</u>	<u>(489)</u>
	Earnings per share	6 (29)				
9750	Basic earnings per share		<u>\$ 2.65</u>		<u>\$ 3.00</u>	
9850	Diluted earnings per share		<u>\$ 2.65</u>		<u>\$ 3.00</u>	

The attached unconsolidated financial statement and notes are parts of this unconsolidated 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.
Individual Equity Statement
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

		Retained earnings							
	Notes	Share capital	Capital surplus	Statutory reserves	Special reserve	Undistributed earnings	Other equities	Treasury stock	Total Equity
2022									
Balance on January 1, 2022		\$ 21,068,334	\$ 18,349,086	\$ 5,318,436	\$ 20,326,692	\$ 45,429,787	\$ 26,498,345	(\$ 84,639)	\$ 136,906,041
Net income of current period	6(18)	-	-	-	-	9,155,086	-	-	9,155,086
Other comprehensive income	6 (18) (19)	-	-	-	-	274,568	(62,315,798)	-	(62,041,230)
Total Comprehensive Income Current Period		-	-	-	-	9,429,654	(62,315,798)	-	(52,886,144)
Appropriation and distribution of the earnings for 2021:	6(18)								
Statutory reserves		-	-	1,643,956	-	(1,643,956)	-	-	-
Cash dividends		-	-	-	-	(4,213,667)	-	-	(4,213,667)
Share dividend	6(16)	10,534,167	-	-	-	(10,534,167)	-	-	-
Reversal of dividends unclaimed by shareholders with claim period elapsed	6(17)	-	(117)	-	-	-	-	-	(117)
Changes in associates & joint ventures accounted for using equity method	6(17)	-	29,741	-	-	-	-	-	29,741
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	6(18)	-	-	-	-	1,298,632	(1,298,632)	-	-
Disposal of equity in subsidiaries (without losing control)	6(17)	-	3,674	-	-	-	278	-	3,952
Adjustments to cash capital increases of associates not recognized in proportion to the shareholding	6(7)(17)(18)	-	(766,350)	-	-	(275,185)	-	-	(1,041,535)
Balance on December 31, 2022		\$ 31,602,501	\$ 17,616,034	\$ 6,962,392	\$ 20,326,692	\$ 39,491,098	(\$ 37,115,807)	(\$ 84,639)	\$ 78,798,271
2023									
Balance on January 1, 2023		\$ 31,602,501	\$ 17,616,034	\$ 6,962,392	\$ 20,326,692	\$ 39,491,098	(\$ 37,115,807)	(\$ 84,639)	\$ 78,798,271
Net income of current period	6(18)	-	-	-	-	7,744,515	-	-	7,744,515
Other comprehensive income	6 (18) (19)	-	-	-	-	(121,637)	11,067,570	-	10,945,933
Total Comprehensive Income Current Period		-	-	-	-	7,622,878	11,067,570	-	18,690,448
Appropriation and distribution of the earnings for 2022:	6(18)								
Statutory reserves		-	-	1,045,310	-	(1,045,310)	-	-	-
Special reserve		-	-	-	38,445,788	(38,445,788)	-	-	-
Cash Reduction	6(16)	(3,160,250)	-	-	-	-	-	3,190	(3,157,060)
Dividends not claimed by shareholders in the given period of time	6(17)	-	1,717	-	-	-	-	-	1,717
Changes in associates & joint ventures accounted for using equity method	6(17)	-	22,391	-	-	-	-	-	22,391
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	6(18)	-	-	-	-	315	(315)	-	-
Adjustments to cash capital increases of associates not recognized in proportion to the shareholding	6(7)(17)(18)	-	90,122	-	-	-	-	-	90,122
Balance on December 31, 2023		\$ 28,442,251	\$ 17,730,264	\$ 8,007,702	\$ 58,772,480	\$ 7,623,193	(\$ 26,048,552)	(\$ 81,449)	\$ 94,445,889

The attached unconsolidated financial statement and notes are parts of this unconsolidated 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.
Individual Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 7,998,328	\$ 9,490,263
Adjustments			
Income and expenses			
Unrealized incomes among affiliates		26,568	18,616
Depreciation expense	6(26)	126,009	125,091
Expected credit impairment gains	6(26)	(88)	(165)
Interest Cost	6(25)	415,851	306,542
Interest revenue	6(22)	(140,388)	(96,590)
Dividend income	6(5)(23)	(89)	(102)
Share of profit of associates accounted for using the equity method	6(7)	(6,848,139)	(7,814,291)
Gains on disposals of real estate, plant and equipment	6(24)	(1)	(6)
Investment property fair value (gain) loss	6(10)(24)	(43,560)	83,871
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable		29,476	(29,476)
Accounts receivable		1,200	(1,972)
Accounts receivable - related party		(281)	(96)
Other receivables		133,410	(138,341)
Other receivables - related Party		233	2,721
Inventories		(24,551)	1,553,693
Prepaid Expenses		(150,093)	35,031
Other Current Assets		502,089	(290,092)
Net change in liabilities related to operating activities			
Contractual Liabilities - Current		(331,754)	(369,418)
Notes payable		13,374	54,656
Notes Payable – related Party		138,977	(89,477)
Accounts Payable		(206,834)	276,549
Accounts Payable – related Party		55,718	543,013
Other payables		22,288	5,980
Other Current liabilities		(1,861)	20,505
Other non-Current liabilities		(1,452)	(3,628)
Cash flow in from operating		1,714,430	3,682,877
Interest received		154,977	82,128
Amount of interest Paid		(582,685)	(405,073)
Dividends received		1,708,873	3,257,724
Income tax paid		(352,586)	(444,328)
Cash inflow from operating activities		<u>2,643,009</u>	<u>6,173,328</u>

(Continued)

Ruentex Development Co., Ltd.
Individual Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<u>Cash flows from investing activities</u>			
Acquisition of financial Assets at fair value through other comprehensive income acquired - non-Current	6(5)	\$ -	(\$ 15,929)
Disposal of financial Assets at fair value through other comprehensive income acquired - non-Current	6(5)	-	1,299,428
Share capital returned from capital reduction in financial assets at fair value through other comprehensive income - non-current	6(5)	1,498	849
Acquisition of financial Assets at fair value through other comprehensive income acquired - non-Current; consider a dividend returned at initial holding cost	6(5)	4,083	-
Investment accounted for under the equity method	6(7)	(586,161)	(3,742,116)
Return of funds to reduced investment adopting the Equity method	6(7)	105,363	-
Real estate, plant and equipment acquired	6(8)	(6,201)	(7,421)
Disposal the payment of property, plant and equipment		1	94
Decrease (increase) in other financial assets		44,337	(23,250)
Increase in other non-current assets		(166)	(735)
Cash used in investing activities		(437,246)	(2,489,080)
<u>Cash flows from financing activities</u>			
Net increase (decrease) in short-term borrowings	6(31)	(895,000)	3,695,000
Net decrease in short-term bills payable	6(31)	(30,000)	(1,490,000)
Amount of long-term borrowings	6(31)	32,112,000	45,575,000
Repayments of long-term borrowings	6(31)	(34,412,000)	(47,220,000)
Increase in guarantee deposits	6(31)	70,711	23,808
Principal elements of lease payments	6(9)(31)	(91,959)	(90,839)
Cash dividends paid	6(18)	-	(4,213,667)
Cash Reduction	6(16)	(3,160,250)	-
Cash used in financing activities		(6,406,498)	(3,720,698)
Decrease of cash and cash equivalents current period		(4,200,735)	(36,450)
Cash and cash equivalents, beginning of period	6(1)	5,695,200	5,731,650
Cash and cash equivalents, end of period	6(1)	<u>\$ 1,494,465</u>	<u>\$ 5,695,200</u>

The attached unconsolidated financial statement and notes are parts of this unconsolidated 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.

Table of Comparison of Clauses Before and After Amendment of the Articles of Association

After amendment	Before amendment	Description
<p>Article 35</p> <p>The Company's net income, if any, should be applied to pay taxes and make up for accumulated losses, and then 10% should be appropriated for legal reserve. <u>However, when the legal reserve amounts to the Company's paid-in capital, the provisions shall not apply hereto.</u> In addition, special reserves will be appropriated or reversed according to laws and regulations. The remaining amount, if any, plus the undistributed earnings beginning will be available for distribution according to the proposal of the Board of Directors, which should be reserved or distributed according to the resolutions reached in the Shareholders' Meeting.</p> <p>(Omitted)</p>	<p>Article 35</p> <p>The Company's net income, if any, should be applied to pay taxes and make up for accumulated losses, and then 10% should be appropriated for legal reserve. In addition, special reserves will be appropriated or reversed according to laws and regulations. The remaining amount, if any, plus the undistributed earnings beginning will be available for distribution according to the proposal of the Board of Directors, which should be reserved or distributed according to the resolutions reached in the Shareholders' Meeting.</p> <p>(Omitted)</p>	<p>Revision to this article is made in accordance with the proviso to Article 237, paragraph 1 and Article 228-1, paragraph 3 of the Company Act.</p>
<p>Article 35-1</p> <p>The Company's dividend policy <u>is based on the Company Act and the Company's Articles of Incorporation, which allow the Company to consider the financial, business, operational and capital budgeting factors, while taking into account shareholders' interests, balanced dividends, and the Company's long-term financial planning. A distribution plan by the Board shall be submitted to the</u></p>	<p>Article 35-1</p> <p>The Company's dividend policy <u>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 purposes, the remaining earnings can then be distributed in the method of cash dividend or stock dividend.</u></p>	<p>This provision is amended in accordance with the Q&A on Sound Dividend Policy published by the Securities and Futures Bureau, Financial</p>

After amendment	Before amendment	Description
<u>shareholders' meeting. However, keeping within the available surplus for distribution, the dividends to shareholders shall be no less than XX percent of the balance amount derived from taking the after-tax profit of the current year less the profit set aside as legal reserve and special reserve, the cash dividend ratio shall not be less than XX% of the total dividend distribution for the year.</u>	(Omitted)	Supervisory Commission.
Article 37 <u>By adding the words "the 40th amendment to be made on May 29, 2024" to the original clause.</u>	Article 37 (Original clause).	Addition of the fortieth amendment

IV. Appendixes

[Appendix 1]

Corporate Charter of Ruentex Development Co., Ltd.

Chapter 1 General Provisions

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

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

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

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

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

Article 5 The Company may provide guarantees externally.

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

Chapter 2 Capital Stock

Article 7 The total capital of the Company shall be NT\$50 billion, divided into 5 billion shares at a par value of NT\$10 per share. The Board of Directors is authorized to issue these shares in phases, and may issue preferred shares.

Article 8 All the shares of the Company shall be affixed with the signatures or personal seals of the director representing the Company. The shares may be issued only after they are legally certified. The Company may issue shares without printing share certificates.

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

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

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

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

service fee may be charged.

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

Chapter 3 Shareholders' Meeting

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

The Company's shareholders' meeting can be held by means of a visual communication network or other methods promulgated by the central competent authority. The Company's shareholders' meeting held via a visual communication network is subject to prescriptions provided for by the competent authority, including the prerequisites, procedures, and other compliance matters.

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

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

Article 208 of the Company Act.

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

Article 18 Except as otherwise provided by the Company Act, any resolution of a shareholders' meeting shall be adopted by a majority of the voting rights held by the shareholders present, with attendance of the shareholders representing a majority of the total shares issued.

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

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

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

Chapter 4 Directors and Audit Committee

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

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

The elections of independent and non-independent directors shall be held at

the same time, with the numbers of elected directors calculated separately.

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

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

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

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

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

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

Article 25 The management policies of the Company and other important matters shall be subject to resolutions of the Board of Directors. Except for the first meeting of each new Board of Directors which shall be convened in accordance with Article 203 of the Company Act, all other such meetings shall be convened and chaired by the Chairman. Where the Chairman is unable to perform his/her functions, the appointment of his/her proxy shall be subject to Article 208 of the Company Act.

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

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

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

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

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

regulations.

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

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

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

Chapter 5 Managers

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

Chapter 6 Accounting

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

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

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

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

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

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

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

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

Chapter 7 Supplementary Provisions

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

Article 37 These Articles of Association were established on August 10, 1977. First amendment on September 3, 1977. Second amendment on October 16, 1978. Third amendment on January 30, 1981. Fourth amendment on April 1, 1981.

Fifth amendment on September 26, 1983. Sixth amendment on April 10, 1984. Seventh amendment on June 15, 1987. Eighth amendment on July 27, 1987. Ninth amendment on December 8, 1987. Tenth amendment on April 20, 1989. Eleventh amendment on November 28, 1989. Twelfth amendment on February 19, 1990. Thirteenth amendment on February 25, 1991. Fourteenth amendment on March 14, 1992. Fifteenth amendment on April 27, 1993. Sixteenth amendment on April 8, 1994. Seventeenth amendment on May 25, 1995. Eighteenth amendment on June 27, 1996. Nineteenth amendment on April 25, 1997. Twentieth amendment on April 8, 1998. Twenty-first amendment on June 24, 1999. Twenty-second amendment on June 22, 2000. Twenty-third amendment on May 23, 2001. Twenty-fourth amendment on June 17, 2002. Twenty-fifth amendment on June 13, 2003. Twenty-sixth amendment on June 25, 2004. Twenty-seventh amendment on June 28, 2005. Twenty-eighth amendment on May 22, 2006. Twenty-ninth amendment on June 12, 2007. Thirtieth amendment on June 23, 2010. Thirty-first amendment on December 31, 2010. Thirty-second amendment on June 9, 2011. Thirty-third amendment on June 5, 2012. Thirty-fourth amendment on June 10, 2013. Thirty-fifth amendment on June 15, 2015. Thirty-sixth amendment on June 14, 2016. Thirty-seventh amendment on June 15, 2017. Thirty-eighth amendment on June 15, 2021. Thirty-ninth amendment on June 15, 2022.

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

Adopted by the shareholders' meeting on February 19, 1990

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

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

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

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

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

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

Shares shall be the basis for counting the attendees at a shareholders' meeting. The number of shares in attendance shall be calculated according to the number of shares indicated by the sign-in cards handed in, plus the number of shares whose voting rights are exercised in an electronic form. For any shareholder who exercises voting rights in an electronic form and

who attends the shareholders' meeting in person, the number of shares in attendance may not be counted twice. Any share held by the Company itself does not have any voting right. If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

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

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

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

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

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

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

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

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

9. The Chair shall call the meeting to order at the meeting time and disclose information concerning the number of non-voting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the shareholders present after the second postponement, while still not meeting the quorum, represent at least one third of the total shares issued, a tentative resolution may be adopted in accordance with Paragraph 1, Article 175 of the Company Act.

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

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies,

if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes and such obstacles cannot be resolved, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 3 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

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

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

With respect to the set agenda under the preceding two paragraphs (including extempore motions), the chair may not unilaterally adjourn the meeting without a resolution before it ends. If the chair declares an adjournment in violation of these Rules, a new chair may be elected by a majority of the voting rights of the attending shareholders to continue the meeting.

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

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

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

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

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

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

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in the preceding two paragraphs do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

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

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

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

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

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

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

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

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

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

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

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

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

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

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

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

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

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

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

Book closure date for the shareholders' meeting: March 31, 2024

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

Title	Legally required percentage of shareholding	Legally required number of shared held	Number of shares recorded in the shareholder register
All directors	3.0%	68,261,402	790,896,997
Total	3.0%	68,261,402	790,896,997

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

2. List of shares held by directors:

Title	Name	Date of election	Term (years)	Number of shares held, as recorded in the shareholder register	
				Number of shares	% of shares held
Chairman	Yingjia Investment Co., Ltd. Representative: Jean, Tsang-Jiunn	June 9, 2023	3	34,789,945	1.22
Director	Ruentex Industries Ltd. Representative: Hsu, Sheng-Yu	June 9, 2023	3	730,987,807	25.70
	Ruentex Industries Ltd. Representative: Yin, Chung-Yao	June 9, 2023	3		
	Ruentex Xing Co. Ltd. Representative: Lee, Chih-Hung	June 9, 2023	3	25,122,245	0.88
	Ruentex Xing Co. Ltd. Representative: Chen, Li-Yu	June 9, 2023	3		

	Yingjia Investment Co., Ltd. Representative: Ho, Kai-Lin	June 9, 2023	3	34,786,945	1.22
Independent Director	Ko, Shun-Hsiung	June 9, 2023	3	—	—
	Chang, Guo-Zhen	June 9, 2023	3	—	—
	Hsieh, Shang-Hsien	June 9, 2023	3	—	—
Total number of shares held and ratio of shareholding by all directors				790,896,997	27.80

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

Note 2: The number of shares issued is 3,160,250,095 shares, has been changed to 2,844,225,086 on 2023/09/22 (record date of capital increase).

Note 3: Directors are amended on 2023/06/09. Former independent Director Zhao, Yi-Long was dismissed and replaced by Chang, Guo-Zhen.