

Stock Code 2915

NAUTICA



*2022 Annual Shareholders' Meeting*

# MEETING HANDBOOK

RUENTEX INDUSTRIES LIMITED

DATE OF PUBLICATION  
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Ruentex Industries Ltd.  
Agenda of 2022 Annual Meeting of Shareholders

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Reports
- IV. Ratifications
- V. Discussion
- VI. Elections
- VII. Other Matters
- VIII. Questions and Motions
- IX. Adjournment

# Ruentex Industries Ltd. Agenda of 2022 Annual Meeting of Shareholders

Meeting type: Physical shareholders meeting

Time: June 23, 2022 (Thursday) at 9:00am

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

## I. Chairperson Remarks

## II. Reports:

1. 2021 business report of the Company.
2. Audit Committee's review report on the 2021 financial statements.
3. Report on distribution of the 2021 employees' remuneration.

## III. Ratifications:

1. Financial statements for 2021.
2. Distribution of Earnings for 2021.

## IV. Discussion:

1. Amendment to the Company Corporate Charter (Articles of Incorporation).
2. The proposed amendment of "Regulations for Management of the acquisition or disposal of assets" of the company

## V. Elections:

1. By-election of independent director.

## VI. Other Matters:

1. Lifting of the non-compete restrictions on director.

## VII. Questions and Motions

## VIII. Adjournment

## [Reports]

1. 2021 business report of the Company, please kindly review.  
Ruentex Industries Co., Ltd. 2021 Business Report

Dear shareholders,

The Company's 2021 Business overview and financial performance are provided as follows:

- (1) The Company's operation and financial performance:

The Company's consolidated operating income for the year 2021 was NT\$2.696 billion; gross profit was NT\$945 million; net income for the period was NT\$15.641 billion; earnings per share was NT\$22.49.

The pandemic has been disrupting the world since its outbreak, and some economic activities were severely impacted, resulting in a slump in both overseas and domestic consumption. The Company's sales were tied to the waves of the pandemic, and, as a result, the 2021 consolidated operation income stayed at the same level as the last fiscal year. Facing these severe challenges, management strived to maintain the Company's profit by raising margins and reducing costs. As the global vaccination rate rises and countries in Europe and the U.S. lift domestic curbs, the global market demand recovery is soon to come.

Non-operating income mainly sourced directly and indirectly from the recognition of investment profit in Nan Shan Life Insurance by Ruen Chen Investment Holdings. In addition, due to the dropped valuation of financial assets, both equity and bonds, in 2021, the net value of Nan Shan Life Insurance substantially declined, and the Company proportionally recognized the unrealized losses of financial assets held by Nan Shan Life Insurance.

- (2) Future Outlook:

In the brand distribution retail business and the original distributed global fashion brands, the Company started to represent the well-known UK tea brand, Whittard of Chelsea, in 2018. The brand is now sound and growing through the continuing expansion of stores. We continue to hunt for new retail locations with high potential and push the unit sales performance for each location as a major marketing strategy. Moreover, through the brand's official website and multiple ecommerce platforms, customers now have better access to our products. In the long term, the Company will develop more competitive products and brands through resource integration and gradually increase the proportion of retail business in its portfolio.

In the textile business, through the Company's competitive advantage

in product design and development and product integration, the Company will focus on major clients and continue to explore business opportunities with well-known brands in Europe and the U.S. in order to increase revenue. Meanwhile, with the strategic alliance with suppliers, it aims to expand its market share in functional products and knitting market seeking more customers and orders. In the future, the Company will continue to innovate and develop in line with the rapidly-change market and products, and, synergized with its design and development service for customers, it will create added-value and differentiation enhancing its competitiveness.

For wholesale business, as online and mobile shopping flourish in recent years, consumers' behavior has changed. The Company has launched its online shopping platform to improve capability in online sales, and through the promotional programs in its official account on communication software, it increases the customer visit frequency. At the same time, it endeavors to develop the E-business model and collaborate with delivery platforms to provide the fresh produce delivery service in order to give customers diverse options as well as take advantages of purchasing consortium. Through these measures, sales is expected to grow steadily.

In the construction business, adhering to the principle of "Integrity and Quality First," and "steady development principle," the Company will maintain appropriate land inventories, and develop office or residential building projects steadily.

In the investment business will still select domestic and international investment targets on the "conservative and prudent evaluation, and benefit-risk balance" principle, to diversify sources of profit and thus increase profitability..

With its long-standing constitution and the efforts of everyone in the Company, we believe it will also be an opportune and prosperous year. Your unswerving support and encouragement are greatly appreciated for us towards sustaining profitability.

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

2. Audit Committee's review report on the 2021 financial statements, please kindly review

Ruentex Industries Ltd.  
Audit Report by the Auditing Commission

The Board of Directors prepared the financial statements, business report and proposal on profit distribution proposal for 2021. The financial statements were audited by Chao-ming Wang and Pei-ling Tu, accountants of PwC Taiwan, and an audit report was issued by them. The above-mentioned financial statements, business report and proposal on earnings distribution for 2021 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.

Please  
kindly approve.

To

2022 Annual Meeting of Shareholders

Audit Committee Convener: Wang, Tay-Chang

March 15<sup>th</sup>, 2022

Ruentex Industries Ltd.  
Audit Report by the Auditing Commission

The Board of Directors prepared the proposal on profit distribution proposal for 2021. The proposal 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.

Please  
kindly approve.

To

2022 Annual Meeting of Shareholders

Audit Committee Convener: Wang, Tay-Chang

May 4<sup>th</sup>, 2022

3. Report on distribution of the remuneration for employees in 2021, please kindly review.

Pursuant to Article 34 of the Company's Articles of Incorporation, 0.3% of the net income before taxes for the year 2021 is appropriated as remuneration for employees, totaling NT\$47,659,840 and all paid in cash.

## [Ratifications]

### Agenda 1 : Proposed by the Board of Directors

Subject: The 2021 financial statements of the Company is submitted for recognition.

Description:

- I. The 2021 business report of the Company (please refer pages 3-4 of this manual) and Financial statements (Please refer to Attachment 1 on page 14-36 of this manual) have been completed.
- II. The financial statements for 2021 were audited by Chang, Shu-Chiung and Tu, Pei-Ling , accountants of PwC Taiwan, and an audit report with unqualified opinions was issued by them.
- III. The financial statements were reviewed by the Audit Committee, with a review report issued thereby.
- IV. Please kindly approve.

Decision:

## Agenda 2 : Proposed by the Board of Directors

Subject: The Company's distribution of earnings for 2021 is submitted for recognition.

### Description:

- I. The Company's undistributed earnings in the beginning of the year was NT\$40,250,346,374, plus current net profit after taxes and amount of items other than the current net profit after taxes included in the undistributed earnings of the year, and after retaining 10% of legal reserve, the distributable earnings for the period was NT\$54,490,458,985.
- II. In accordance with the Company's Articles of Incorporation, it is proposed to distribute cash dividend of NT\$3,671,593,860, in equivalent to NT\$5 per share. According to Letter Tai-Cai-Shui No. 871941343, dated April 30, 1998, from the Ministry of Finance, profits distributed must be individually recognized. For the profit of the current year, the distributable profit in 2021 was distributed first. The Earnings Distribution Plan is attached, please see the following page for reference.
- III. If the Company subsequently affects the circulation of shares outside the Company and the dividend payout ratio for shareholders changes, due to the buy back of shares of the company or the cancellation of treasury shares or other factors, it is proposed to authorize the board of directors to adjust.
- IV. Upon approval of this proposal by a resolution of the shareholders' meeting, the Board of Directors will be authorized to set the ex-rights record date, ex-dividend record date and distribution date.
- V. Please kindly approve.

### Decision:

**Ruentex Industries Ltd.**  
**Earnings Distribution Plan for 2021**

Unit: New Taiwan Dollars

Item	Amount	
1. Undistributed earnings in the beginning of the year		40,250,346,374
2. Current net profit after taxes		15,567,661,672
-: Amount of items other than the current net profit after tax, and which is included in the undistributed profit of the year		254,685,674
Actuarial gains on defined benefit plans	82,451,331	
Disposal of investments in equity instruments at fair value through other comprehensive income	153,391,194	
Changes in the Company's associates accounted for using equity method	18,843,149	
Undistributed profit after adjustment		56,072,693,720
3. Retained 10% legal reserve		(1,582,234,735)
4. Distributable earnings for the period		54,490,458,985
5. Distributable items:		
Cash dividend (NT\$5/share)		3,671,593,860
6. Undistributed earnings at the end of the period		50,818,865,125

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

## [Discussion]

### Agenda 1 Proposed by the Board of Directors

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

Description:

- I. In accordance with amendments to the Company Act issued by the Authorities regarding shareholders' meeting proceeded via a visual communication network. In order to clarify the manners of special reserves allocation, it is proposed to amend relevant articles of the Articles of Incorporation. Please find Attachment 2 for the proposed amendments on page 37-38 of this manual.
- II. Please kindly approve.

Decision:

### Agenda 2 Proposed by the Board of Directors

Subject: The proposed amendment of "Regulations for Management of the acquisition or disposal of assets" of the company, submitted for discussion

Description:

- I. In accordance with Jin-Guan-Zheng-Fa-Zi No. 1110380465 issued by the Financial Supervisory Commission on January 28, 2022, it is proposed to amend parts of the Regulations for Management of the acquisition or disposal of assets. Please find Attachment 4 for the proposed amendments on page 39-47 of this manual.
- II. Please kindly approve.

Decision:

## [Elections]

### Agenda 1 : Proposed by the Board of Directors

Subject: By-election of Independent Director.

Description:

- I. The company elected 9 directors at the general meeting of shareholders on July 30, 2011, including 3 independent directors. A by-election was submitted due to the resignation of the independent director.
- II. It is proposed to elect one independent director. The newly elected independent director term of office will from June 23, 2022 to July 29, 2024. Please find Attachment 4 on page 48 in this manual for the nomination of director.
- III. Election is respectfully requested.

Election result:

## [Other Matters]

### Agenda 1 : Proposed by the Board of Directors

Subject: Lifting of the non-compete restrictions on director, please kindly discuss.

Description:

- I. Pursuant to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- II. For the needs of the Company's continuous business expansion, it is proposed to exempt the director from non-competition restrictions. Please find Attachment 5 on page 49 in this manual for the List of the lifting of the non-competition restrictions on the Board of Directors.
- III. Please kindly approve.

Decision:

[Extempore Motions]

[Adjournment]

Accountants' Audit Report

(2021) Cai-Shen-Bao-Zi No.21004285

To Ruentex Industries Ltd.:

**Audit Opinions**

We have audited the consolidated balance sheets of Ruentex Industries Ltd. and its subsidiaries (hereinafter referred to as "the Group") for December 31, 2020 and 2021, the consolidated comprehensive income statements, equity statements and cash flow statements of the Group for the period from January 1 to December 31, 2020 and 2021, and the notes to the consolidated financial report (including a summary of significant accounting policies).

In our opinion, based on our audits and the report of other independent accountants (please refer to the "other matter" section of our report), the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2021, 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 by the Financial Supervisory Commission.

**Basis of Audit Opinions**

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

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The most significant key audit matters in our audit of the Group's consolidated financial statements for the year ended 2021 are as follows:

### **Accuracy of Investment Balance Accounted for using equity method**

#### Description of Key Audit Matters

As of December 31, 2021, the Group's investments accounted under equity method were NT\$116,085,784 thousand, representing 78.291% of the total consolidated assets. Please refer to Note 4(15) for accounting policies on investments accounted under equity method and Note VI(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, 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.

### **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 the Group's consolidated financial statements. Those statements were audited by other independent accountants whose report thereon has been furnished to us, and our opinion expressed herein is based solely on the audit reports issued by other independent accountants. The total assets of the aforementioned subsidiaries as of December 31, 2021 and 2020, were NT\$6,328,229 thousand and

NT\$19,470,076 thousand, respectively, and constituted 4.268% and 12.670% of total consolidated assets. Their total operating income of NT\$321,149 thousand and NT\$285,807 thousand for the years ended December 31, 2021 and 2020, constituting 11.912% and 10.445% of total consolidated operating income. The aforementioned investments recognized under equity method as of December 31, 2021 and 2020 were NT\$775 thousand and NT\$0, respectively, and constituted 0.000% and 0.000% 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\$(7,225) thousand and NT\$(1,755) thousand for the years ended December 31, 2021 and 2020, respectively, constituting 1.000% and 0.005% of total consolidated comprehensive income.

### **Other matter- Parent only financial reports**

We have audited and expressed an unqualified opinion on the parent only financial statements of Ruentex Industries Ltd. as at and for the year ended December 31, 2020 and 2021.

### **Responsibilities of the Management and Governing Bodies for Consolidated Financial Statements**

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

In preparing the consolidated financial statements, the management is responsible for assessing the 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 the Group 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 Group's financial reporting process.

### **Responsibilities of the Accountants for the Audit of Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that included our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GAAS will

always detect a material misstatement when it exists. Misstatement may be caused by fraud or error. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. We identify and assess the risks of material misstatement of consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. 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 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. 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 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 the Group to cease to continue as a 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 the Group's consolidated financial statements of 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Shu-chiung Chang

Certified Public Accountant

Pei-ling Tu

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

Former Securities and Futures Commission, Ministry of  
Finance

Approval Certificate No.:(1995) Tai-Cai-Zheng (VI) No.  
13377

March 15, 2022

Ruentex Industries Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2021 and 2020

Unit: NTD in Thousands

Assets		Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
<b>Current Assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 12,670,498	9\$	19,164,077	12
1120	Financial assets at fair value through other comprehensive income acquired -	6(5)				
	Current		1,303,338	1	-	-
1150	Net bills receivable	6(2)	280	-	287	-
1170	Net Accounts Receivable	6(2) and				
		12(3)	186,438	-	171,936	-
1180	Accounts receivable - related parties - net	6(2), 7 and 12				
		(3)	816	-	2,490	-
1200	Other receivables		12,560	-	9,070	-
1210	Other receivables - related parties	7	9,147	-	9,413	-
1220	Current tax assets		-	-	27,989	-
130X	Inventories	6(3) and 8	749,931	-	2,424,726	2
1410	Prepayments		72,061	-	33,814	-
1470	Other Current Assets		576	-	474	-
11XX	<b>Total current assets</b>		<u>15,005,645</u>	<u>10</u>	<u>21,844,276</u>	<u>14</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(4)	2,695,926	2	2,334,021	2
1517	Financial assets at fair value through other comprehensive income - non-Current	6(5), 7 and 8	8,107,838	5	11,190,047	7
1535	Amortized cost financial Assets - non-Current	6(6) and 8	874,083	1	888,117	1
1550	Investment accounted for using the equity method	6(7), 7 and 8	116,085,784	78	113,881,370	74
1600	Property, plant, and equipment	6(8) and 8	1,667,279	1	1,703,830	1
1755	Right-of-use assets	6(9)	200,697	-	65,805	-
1760	Net value of investment properties	6(3)(11) and				
		8	2,319,524	2	633,434	-
1780	Intangible assets	6(12)	388,325	-	398,817	-
1840	Deferred tax Assets	6(32)	863,054	1	665,035	1
1900	Other non-Current Assets	6(13)	65,726	-	67,297	-
15XX	<b>Total non-current assets</b>		<u>133,268,236</u>	<u>90</u>	<u>131,827,773</u>	<u>86</u>
1XXX	<b>Total assets</b>		<u>\$ 148,273,881</u>	<u>100\$</u>	<u>153,672,049</u>	<u>100</u>

(Continued)

Ruentex Industries Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2021 and 2020

Unit: NTD in Thousands

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(14) and 8	\$ 1,100,000	1	\$ 2,287,700	2
2110	Short-term notes and bills payable	6(15) and 8	2,277,271	1	1,069,319	1
2130	Contract liabilities - current	6(24)	24,348	-	22,597	-
2150	Notes payable		13,195	-	13,654	-
2160	Bills payable - related parties	7	88,380	-	50,131	-
2170	Accounts payable		189,613	-	201,279	-
2180	Accounts payable - related parties	7	18,485	-	14,278	-
2200	Other payables	6(16)	283,501	-	274,292	-
2220	Other Payable - Related Party	7	13,800	-	14,696	-
2230	Current tax liabilities		924,895	1	1,354,953	1
2280	Lease liabilities - current	6(9)	52,523	-	28,337	-
2320	Long-term liabilities due within one year or one operating cycle	6(17) and 8	1,435,000	1	3,237,500	2
2399	Other current liabilities - other		14,296	-	14,798	-
21XX	<b>Total Current Liabilities</b>		<u>6,435,307</u>	<u>4</u>	<u>8,583,534</u>	<u>6</u>
<b>Non-Current Liabilities</b>						
2540	Long-term borrowings	6(17) and 8	29,447,395	20	26,262,231	17
2570	Deferred income tax liabilities	6(32)	1,493,881	1	2,397,048	2
2580	Lease liabilities - non-current	6(9)	149,207	-	38,446	-
2600	Other non-Current liabilities	6(18)	761,514	1	784,296	-
25XX	<b>Total Non-Current Liabilities</b>		<u>31,851,997</u>	<u>22</u>	<u>29,482,021</u>	<u>19</u>
2XXX	<b>Total liabilities</b>		<u>38,287,304</u>	<u>26</u>	<u>38,065,555</u>	<u>25</u>
<b>Equity attributed to owners of the parent</b>						
3110	Share capital	6(20)	7,343,188	5	5,648,606	4
3200	Capital surplus	6(21)	12,891,155	8	12,853,500	8
	Retained earnings	6(22)				
3310	Legal reserve		3,019,067	2	2,245,751	1
3320	Special reserve		854,068	1	854,068	1
3350	Unappropriated earnings		56,072,695	38	43,847,965	28
3400	Other Equities	6(23)	27,333,752	18	40,706,367	27
3500	Treasury stock	6(20)	( 552,479)	-	( 552,479)	-
31XX	<b>Total equity attributable to owners of parent</b>		<u>106,961,446</u>	<u>72</u>	<u>105,603,778</u>	<u>69</u>
36XX	<b>Non-controlling Interest</b>	6(33)	<u>3,025,131</u>	<u>2</u>	<u>10,002,716</u>	<u>6</u>
3XXX	<b>Total Equity</b>		<u>109,986,577</u>	<u>74</u>	<u>115,606,494</u>	<u>75</u>
	Significant Contingent Liabilities and Unrecognized Commitments	9				
	Significant subsequent events	11				
3X2X	<b>Total liabilities and equities</b>		<u>\$ 148,273,881</u>	<u>100</u>	<u>\$ 153,672,049</u>	<u>100</u>

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

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

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

	Item	Notes	2021		2020	
			Amount	%	Amount	%
4000	Operating income	6(24) and 7	\$ 2,695,981	100	\$ 2,736,394	100
5000	Operation Cost	6(25)				
		(30)(31) and 7	( 1,750,759)	( 65)	( 1,760,674)	( 64)
5900	Gross profit		945,222	35	975,720	36
	Operating Expenses	6(30)				
		(31)				
6100	Distribution costs		( 629,155)	( 23)	( 637,285)	( 23)
6200	Administrative expenses		( 279,563)	( 11)	( 285,420)	( 11)
6450	Expected credit impairment	12(3)				
	gains (losses)		1,659	-	( 750)	-
6000	Total operating expenses		( 907,059)	( 34)	( 923,455)	( 34)
6900	Operating profit		38,163	1	52,265	2
	Non-operating Income and Expenses					
7100	Interest revenue	6(26) and 7	38,036	1	188,071	7
7010	Other income	6(27) and 7	201,794	8	286,102	11
7020	Other gains and losses	6(28)	( 48,620)	( 2)	( 181,890)	( 7)
7050	Financial costs	6(29)	( 326,658)	( 12)	( 335,907)	( 12)
7060	Share of income of associates and joint ventures accounted for using the equity method	6(7)	16,009,279	594	9,441,558	345
7000	Total non-operating income and expenses		15,873,831	589	9,397,934	344
7900	<b>Net profit before tax</b>		15,911,994	590	9,450,199	346
7950	Income tax expense	6(32)	( 271,363)	( 10)	( 1,358,850)	( 50)
8200	<b>Net profit for the period</b>		\$ 15,640,631	580	\$ 8,091,349	296

(Continued)

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

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

Item	Notes	2021		2020	
		Amount	%	Amount	%
<b>Other comprehensive income (net)</b>					
<b>Items that will not be reclassified to profit or loss</b>					
8311 Remeasurement of defined benefit plans	6(19)	\$ 4,556	-	\$ 994	-
8316 Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(5)	( 1,355,989)	( 50)	( 894,919)	( 33)
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(23)	458,914	17	( 214,001)	( 8)
8349 Income tax relating to non-reclassified items	6(32)	199,103	7	137,860	5
8310 Total of items that will not be reclassified to profit or loss		( 693,416)	( 26)	( 970,066)	( 36)
<b>Items that may be reclassified subsequently to profit or loss</b>					
8361 Exchange differences on translation of foreign operations		( 491,816)	( 18)	( 1,044,469)	( 38)
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(23)	( 13,974,084)	(518)	28,260,870	1033
8399 Income tax related to items may be reclassified into profit or loss	6(32)	241,319	9	( 275,264)	( 10)
8360 Total of items may be reclassified subsequently to profit or loss		( 14,224,581)	(527)	26,941,137	985
8300 <b>Other Comprehensive Income (net)</b>		<u>(\$14,917,997)</u>	<u>(553)</u>	<u>\$25,971,071</u>	<u>949</u>
8500 <b>Total comprehensive income for the period</b>		<u>\$ 722,634</u>	<u>27</u>	<u>\$34,062,420</u>	<u>1245</u>
Profit attributable to:					
8610 Owners of the parent		<u>\$15,567,663</u>	<u>577</u>	<u>\$ 7,908,311</u>	<u>289</u>
8620 Non-controlling interests		<u>\$ 72,968</u>	<u>3</u>	<u>\$ 183,038</u>	<u>7</u>
Comprehensive Income attributed to:					
8710 Owners of the parent		<u>\$ 2,445,939</u>	<u>91</u>	<u>\$34,863,818</u>	<u>1274</u>
8720 Non-controlling Interest		<u>(\$ 1,723,305)</u>	<u>( 64)</u>	<u>(\$ 801,398)</u>	<u>( 29)</u>
Earnings per share					
9750 Basic earnings per share	6(34)	<u>\$ 22.49</u>		<u>\$ 11.42</u>	
9850 Diluted earnings per share		<u>\$ 22.47</u>		<u>\$ 11.42</u>	

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

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

Ruentex Industries Ltd. and Subsidiaries  
Consolidated statement of changes in Equity  
For the Years Ended December 31, 2021 and 2020  
Unit: NTD in Thousands

	Notes	Equity attributed to owners of the parent							Total	Non-controlling interests	Total Equity												
		Ordinary share capital	Capital reserve	Legal reserve	Retained earnings			Treasury stock															
					Special reserve	Undistributed earnings	Other equities																
<b>2020</b>																							
Balance at January 1, 2020			\$	5,648,606	\$	12,754,472	\$	1,626,973	\$	6,187,778	\$	13,579,683	\$	552,479	\$	73,469,211	\$	10,856,405	\$	84,325,616			
Net Income Current Period			6(22)(33)	-	-	-	-	-	-	7,908,311	-	-	-	-	-	7,908,311	-	183,038	-	8,091,349			
Other Comprehensive Income			6(22)(23)(33)	-	-	-	-	-	-	(93,315)	27,048,822	-	-	-	-	26,955,507	-	984,436	-	25,971,071			
Total Comprehensive Income Current Period			6(22)	-	-	-	-	-	-	7,814,996	27,048,822	-	-	-	-	34,863,818	-	801,398	-	34,062,420			
Earning provision and appropriate for 2019:																							
Legal reserve				-	-	-	-	618,778	-	(618,778)	-	-	-	-	-	-	-	-	-	-			
Special reserve				-	-	-	-	(33,370,110)	-	33,370,110	-	-	-	-	-	-	-	-	-	-			
Cash dividend				-	-	-	-	-	-	(2,824,303)	-	-	-	-	-	(2,824,303)	-	-	-	(2,824,303)			
Cash dividends received by subsidiaries from the parent company			6(21)	-	-	-	-	77,409	-	-	-	-	-	-	-	77,409	-	-	-	77,409			
Overdue dividends not collected by shareholders			6(21)	-	-	-	-	21,703	-	-	-	-	-	-	-	21,703	-	-	-	21,703			
Changes in associates & joint ventures accounted for using equity method			6(21)(22)(23)	-	-	-	-	84	-	4,255	(4,255)	-	-	-	-	84	-	-	-	(84)			
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income			6(22)(23)	-	-	-	-	-	-	(86,093)	86,093	-	-	-	-	-	-	-	-	-			
Disposal of investments accounted for using equity method			6(23)	-	-	-	-	-	-	-	(3,976)	-	-	-	-	(3,976)	-	-	-	(3,976)			
Decrease in non-controlling interests			6(33)	-	-	-	-	-	-	-	-	-	-	-	-	(52,291)	-	-	-	(52,291)			
Balance on December 31, 2020				\$	5,648,606	\$	12,853,500	\$	2,245,751	\$	854,068	\$	43,847,965	\$	40,706,367	\$	552,479	\$	105,603,778	\$	10,002,716	\$	115,606,494
<b>2021</b>																							
Balance at January 1, 2021				\$	5,648,606	\$	12,853,500	\$	2,245,751	\$	854,068	\$	43,847,965	\$	40,706,367	\$	552,479	\$	105,603,778	\$	10,002,716	\$	115,606,494
Net Income Current Period				6(22)(33)	-	-	-	-	-	15,567,663	-	-	-	-	-	15,567,663	-	-	-	72,968	15,640,631		
Other Comprehensive Income				6(22)(23)(33)	-	-	-	-	-	(82,452)	(13,204,176)	-	-	-	-	(13,121,724)	-	-	-	(1,796,273)	(14,917,997)		
Total comprehensive income for the period				6(22)	-	-	-	-	-	15,650,115	(13,204,176)	-	-	-	-	2,445,939	-	-	-	1,723,305	722,634		
Earning provision and appropriate for 2020:																							
Legal reserve					-	-	-	773,316	-	(773,316)	-	-	-	-	-	-	-	-	-	-	-	-	
Cash dividend					-	-	-	-	-	(1,129,721)	-	-	-	-	-	(1,129,721)	-	-	-	-	-		
Share dividend					1,694,582	-	-	-	-	(1,694,582)	-	-	-	-	-	-	-	-	-	-	-		
Cash dividends received by subsidiaries from the parent company			6(21)	-	-	-	-	30,963	-	-	-	-	-	-	-	30,963	-	-	-	-	30,963		
Overdue dividends not collected by shareholders			6(21)	-	-	-	-	4,364	-	-	-	-	-	-	-	4,364	-	-	-	-	4,364		
Changes in associates & joint ventures accounted for using equity method			6(21)(22)(23)	-	-	-	-	2,328	-	18,843	(15,048)	-	-	-	-	6,123	-	-	-	-	6,123		
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income			6(22)(23)	-	-	-	-	-	-	153,391	(153,391)	-	-	-	-	-	-	-	-	-	-		
Decrease in non-controlling interests			6(33)	-	-	-	-	-	-	-	-	-	-	-	-	(5,254,280)	-	-	-	(5,254,280)	-		
Balance on December 31, 2021				\$	7,343,188	\$	12,891,155	\$	3,019,067	\$	854,068	\$	56,072,695	\$	27,333,752	\$	552,479	\$	106,961,446	\$	3,025,131	\$	109,986,577

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

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

Ruentex Industries Ltd. and Subsidiaries  
Consolidated Statement of Cash Flow  
For the Years Ended December 31, 2021 and 2020

Unit: NTD in Thousands

	Notes	2021	2020
<u>Cash flows from operating activities</u>			
Net profit before tax for the period		\$ 15,911,994	\$ 9,450,199
Adjustments			
Income and expenses			
Depreciation expense	6(30)	110,022	105,235
Amortization expense	6(30)	3,264	4,003
Expected credit impairment losses (gains on reversal)	6(30) (	1,659 )	750
Gains on Financial assets at fair value through profit or loss	6(28) (	143,521 )	( 141,187 )
Gains on reversal of financial assets impairment loss	6(28)	-	( 991 )
Interest Cost	6(29)	326,658	335,907
Dividend income	6(24)(27) (	281,027 )	( 410,050 )
Interest revenue	6(26) (	38,036 )	( 188,071 )
Share of income of associates and joint ventures accounted for using the equity method	6(7)	( 16,009,279 )	( 9,441,558 )
Net gain on disposal of investment	6(28)	-	( 3,976 )
Gains on disposals of real estate, plant and equipment	6(28) (	18,023 )	( 16,258 )
Write-off of loss on investment properties	6(28)	7	4
Gains on reversal of impairment of property, plant and equipment	6(28)	-	( 44 )
Write-off of loss on intangible assets	6(28)	-	1,923
Gains on lease modifications	6(28)	-	( 81 )
Gain from the price recovery of inventory declines	6(3) (	201,076 )	( 109,782 )
Net foreign exchange losses		159,773	329,377
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		( 267,664 )	( 353,834 )
Notes receivable		7	15
Bills receivable - related parties		-	129
Accounts receivable		( 12,750 )	32,703
Accounts receivable - related party		1,512	1,272
Other receivables		( 6,936 )	39,955
Other receivables - related Party		266	1,020
Inventories		178,973	179,645
Prepayments		( 38,308 )	25,721
Other Current Assets		( 102 )	294
Net change in operating liabilities			
2. Contract liabilities		1,751	8,607
Notes payable		38,249	( 7,170 )
Notes payable - related party		( 459 )	28,243
Accounts payable		( 11,492 )	( 134,790 )
Accounts payable - related party		4,222	7,459
Other payables		21,824	( 29,131 )
Other Payable - Related Party		( 896 )	( 3,702 )
Other Current liabilities		( 502 )	( 1,002 )
Defined benefit liability (listed as "non-current liabilities")		( 6,152 )	( 5,589 )
Other non-Current liabilities		-	( 4,326 )
Cash outflow from operations		( 279,360 )	( 299,081 )
Interest received		42,149	194,137
Interest paid		( 329,966 )	( 330,315 )
Income tax paid		( 1,362,351 )	( 7,616 )
Income tax refunded		28,083	2,229
Cash outflow from operating activities		( 1,901,445 )	( 440,646 )

(Continued)

Ruentex Industries Ltd. and Subsidiaries  
Consolidated Statement of Cash Flow  
For the Years Ended December 31, 2021 and 2020

Unit: NTD in Thousands

	Notes	2021	2020
<u>Cash flows from investing activities</u>			
Costs returned for financial assets at fair value through profit or loss	6(4)	\$ -	\$ 991
Acquisition of financial assets at fair value through other comprehensive income	6(5)	( 10,023 )	( 1,954 )
Disposal of financial assets at fair value through other comprehensive income	6(5)	173,409	210,618
Distribution of dividends at investment cost through financial assets at fair value through other comprehensive income	6(5)	-	122,503
Share capital returned from capital reduction in financial assets at fair value through other comprehensive income	6(5)	127,438	-
Acquisition of financial assets at amortized cost		-	( 578,247 )
Investment under the equity method acquired	6(7)	( 90,800 )	( 80,500 )
Real estate, plant and equipment acquired	6(35)	( 16,463 )	( 72,871 )
Disposal of real estate properties, plants and equipment		18,099	16,258
Investment real estate acquired	6(35)	( 759 )	( 553 )
Acquisition of intangible assets	6(35)	( 2,010 )	-
Disposal of intangible assets		-	230
Decrease in refundable deposits (listed in “other non-current assets”)		227	3,984
Increase in prepayments for business facilities (recognized in “other non-current assets”)		( 476 )	( 286 )
Increase in other non-current assets		( 233 )	( 689 )
Dividends received		667,794	667,894
Net cash inflow from investing activities		<u>866,203</u>	<u>287,378</u>
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term borrowings	6(36)	( 1,187,700 )	884,500
Increase in short-term bills payable	6(36)	1,210,000	-
Proceeds from long-term borrowings	6(36)	33,220,000	28,270,000
Repayments of long-term borrowings	6(36)	( 31,837,500 )	( 26,945,000 )
Increase in guarantee deposits received (listed in “other non-current liabilities”)	6(36)	47,929	62,485
Decrease in guarantee deposits received (listed in “other non-current liabilities”)	6(36)	( 60,003 )	( 65,160 )
Principal elements of lease payments	6(9)(36)	( 52,188 )	( 52,166 )
Cash dividends paid	6(21)(22)	( 1,098,758 )	( 2,746,894 )
Net changes in non-controlling interest	6(33)	( 5,254,280 )	( 52,291 )
Cash used in financing activities		<u>( 5,012,500 )</u>	<u>( 644,526 )</u>
Net effect of changes in foreign currency exchange rates on cash and cash equivalent		( 445,837 )	( 957,801 )
Decrease of cash and cash equivalents current period		( 6,493,579 )	( 1,755,595 )
Cash and cash equivalents at beginning of period		19,164,077	20,919,672
Cash and cash equivalents at the end of the period		<u>\$ 12,670,498</u>	<u>\$ 19,164,077</u>

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

## Accountants' Audit Report

(2022) Cai-Shen-Bao-Zi No.21004284

To Ruentex Industries Ltd.:

### **Audit Opinions**

We have audited the accompanying financial statements of Ruentex Industries Co., Ltd. (the Company), which comprise the unconsolidated balance sheets as of December 31, 2021 and 2020 and the unconsolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis of Audit Opinions**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the Company for the year ended December 31, 2021. These matters were addressed in the context of our audit opinion of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's unconsolidated financial statements for the year ended December 31, 2021 are stated as follows:

## **Accuracy of Investment Balance Accounted for using equity method**

### Description of Key Audit Matters

The investment balance under equity method of the Company as of December 31, 2021 was NT\$120,027,547 thousand, representing 82.555% of total Assets. For the accounting policy related to investments under equity method, please refer to Unconsolidated Financial Statements Note 4(14). For the explanation on the accounts, please refer to Financial Statements Note 6(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.

### **Other Matters - Relevant audits by other independent auditors**

For the investee listed in the aforementioned unconsolidated financial statements under equity method, its financial statements was not audited by our representatives, but was audited by other independent auditors. Accordingly, regarding our opinion on the aforementioned unconsolidated financial statements, relevant amount listed in financial statements of such company was based on the audit report by other independent auditors. As of December 31, 2021 and 2020, the investment balances under equity method for the aforementioned companies were NT\$3,473,830 thousand and NT\$ 9,668,398 thousand, representing 2.389% and 16.723% of the total Assets. For the period of 2021 and January 1 to December 31, 2020 the share of profit of associates under equity method and other comprehensive income of the aforementioned companies were NT\$(1,749,716) thousand and NT\$(881,855) thousand, representing 10.75% and 8.83% of the compressive income.

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

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

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

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

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

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

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

1. Identify and assess the risk of material misstatement of the unconsolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the

risks assessed, and obtain sufficient and appropriate audit evidences in order to be used as the basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidences for the financial information of individual entity of the Company and provide opinions on its respective unconsolidated financial statements. We handle the guidance, supervision and execution of the audit on the Company and are responsible for preparing the audit opinion for the Company.

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

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

relevant protective measure, that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of the most significance in the audit of the unconsolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Shu-chiung Chang

Certified Public Accountant

Pei-ling Tu

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

Former Securities and Futures Commission, Ministry of  
Finance

Approval Certificate No.:(1995) Tai-Cai-Zheng (VI) No.  
13377

March 15, 2022

Ruentex Industries Ltd.  
Unconsolidated Balance Sheet  
December 31, 2021 and 2020

Unit: NTD in Thousands

Assets	Notes	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
<b>Current Assets</b>					
1100	Cash and cash equivalents	\$ 9,938,857	7%	\$ 6,509,574	4
1120	Financial assets at fair value through other comprehensive income acquired - Current	1,303,338	1	-	-
1150	Net bills receivable	280	-	287	-
1170	Net Accounts Receivable				
		153,848	-	148,287	-
1180	Accounts receivable - related parties - net				
		9,557	-	5,319	-
1200	Other receivables	5,538	-	3,747	-
1210	Other receivables - related parties	14,491	-	9,462	-
1220	Current tax assets	-	-	27,989	-
130X	Inventories	604,659	-	2,287,462	2
1410	Prepayments	13,176	-	23,716	-
1470	Other Current Assets	250	-	204	-
11XX	<b>Total current assets</b>	<u>12,043,994</u>	<u>8</u>	<u>9,016,047</u>	<u>6</u>
<b>Non-current assets</b>					
1510	Financial assets at fair value through profit or loss - non-current	2,695,926	2	2,334,021	2
1517	Financial assets at fair value through other comprehensive income - non-Current	4,929,670	3	4,734,425	3
1535	Amortized cost financial Assets - non-Current	874,083	1	888,117	1
1550	Investment accounted for using the equity method	120,027,547	83	124,001,506	86
1600	Property, plant, and equipment	1,287,610	1	1,312,408	1
1755	Right-of-use assets	364,429	-	252,900	-
1760	Net value of investment properties				
		2,255,010	1	567,101	-
1780	Intangible assets	2,320	-	1,655	-
1840	Deferred tax Assets	863,054	1	665,035	1
1900	Other non-Current Assets	47,364	-	47,699	-
15XX	<b>Total non-current assets</b>	<u>133,347,013</u>	<u>92</u>	<u>134,804,867</u>	<u>94</u>
1XXX	<b>Total assets</b>	<u>\$ 145,391,007</u>	<u>100</u>	<u>\$ 143,820,914</u>	<u>100</u>

(Continued)

Ruentex Industries Ltd.  
Unconsolidated Balance Sheet  
December 31, 2021 and 2020

Unit: NTD in Thousands

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(14) and 8	\$ 1,100,000	1	\$ 2,287,700	2
2110	Short-term notes and bills payable	6(15) and 8	2,277,271	1	1,069,319	1
2130	Contract liabilities - current	6(24)	24,347	-	23,505	-
2150	Notes payable		11,849	-	12,857	-
2160	Bills payable - related parties	7	88,367	-	50,122	-
2170	Accounts payable		137,382	-	165,958	-
2180	Accounts payable - related parties	7	72,685	-	38,869	-
2200	Other payables	6(16)	279,194	-	268,327	-
2220	Other Payable - Related Party	7	13,800	-	14,696	-
2230	Current tax liabilities		924,895	1	1,354,934	1
2280	Lease liabilities - current	6(9)	59,497	-	36,243	-
2320	Long-term liabilities due within one year or one operating cycle	6(17) and 8	1,435,000	1	3,237,500	2
2399	Other current liabilities - other		11,056	-	11,424	-
21XX	<b>Total Current Liabilities</b>		<u>6,435,343</u>	<u>4</u>	<u>8,571,454</u>	<u>6</u>
<b>Non-Current Liabilities</b>						
2540	Long-term borrowings	6(17) and 8	29,447,395	20	26,262,231	18
2570	Deferred income tax liabilities	6(32)	1,493,881	1	2,397,048	2
2580	Lease liabilities - non-current	6(9)	309,090	-	219,708	-
2600	Other non-Current liabilities	6(18) (19)	743,852	1	766,695	1
25XX	<b>Total Non-Current Liabilities</b>		<u>31,994,218</u>	<u>22</u>	<u>29,645,682</u>	<u>21</u>
2XXX	<b>Total liabilities</b>		<u>38,429,561</u>	<u>26</u>	<u>38,217,136</u>	<u>27</u>
<b>Equity</b>						
3110	Share capital	6(20)	7,343,188	5	5,648,606	4
3200	Capital surplus	6(21)	12,891,155	9	12,853,500	9
	Retained earnings	6(22)				
3310	Legal reserve		3,019,067	2	2,245,751	1
3320	Special reserve		854,068	1	854,068	1
3350	Unappropriated earnings		56,072,695	38	43,847,965	30
3400	Other Equities	6(23)	27,333,752	19	40,706,367	28
3500	Treasury stock	6(20)	( 552,479)	-	( 552,479)	-
3XXX	<b>Total Equity</b>		<u>106,961,446</u>	<u>74</u>	<u>105,603,778</u>	<u>73</u>
	Significant Contingent Liabilities and Unrecognized Commitments	9				
	Significant subsequent events	11				
3X2X	<b>Total liabilities and equities</b>		<u>\$ 145,391,007</u>	<u>100</u>	<u>\$ 143,820,914</u>	<u>100</u>

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

Ruentex Industries Ltd.  
Unconsolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2021 and 2020

Unit: NTD in Thousands  
(Except Earnings Per Share in New Taiwan Dollars)

Item	Notes	2021		2020	
		Amount	%	Amount	%
4000 Operating income	6(24) and 7	\$ 2,463,993	100	\$ 2,450,050	100
5000 Operation Cost	6(25) (30)(31) and 7	( 1,717,719)	( 70)	( 1,719,218)	( 70)
5900 Gross profit		<u>746,274</u>	<u>30</u>	<u>730,832</u>	<u>30</u>
Operating Expenses	6(30) (31)				
6100 Distribution costs		( 589,351)	( 24)	( 627,679)	( 26)
6200 Administrative expenses		( 248,303)	( 10)	( 248,488)	( 10)
6450 Expected credit impairment gains	12(3)	1,659	-	82	-
6000 Total operating expenses		<u>( 835,995)</u>	<u>( 34)</u>	<u>( 876,085)</u>	<u>( 36)</u>
6900 Operating Loss		<u>( 89,721)</u>	<u>( 4)</u>	<u>( 145,253)</u>	<u>( 6)</u>
Non-operating Income and Expenses					
7100 Interest revenue	6(26) and 7	23,910	1	82,116	3
7010 Other income	6(27) and 7	205,987	8	278,427	11
7020 Other gains and losses	6(28)	( 46,822)	( 2)	( 178,527)	( 7)
7050 Financial costs	6(29)	( 328,733)	( 13)	( 337,954)	( 14)
7070 Share of income of subsidiaries, associates and joint ventures accounted for using the equity method	6(7)	<u>16,074,331</u>	<u>653</u>	<u>9,568,243</u>	<u>391</u>
7000 Total non-operating income and expenses		<u>15,928,673</u>	<u>647</u>	<u>9,412,305</u>	<u>384</u>
7900 Net profit before tax		<u>15,838,952</u>	<u>643</u>	<u>9,267,052</u>	<u>378</u>
7950 Income tax expense	6(32)	<u>( 271,289)</u>	<u>( 11)</u>	<u>( 1,358,741)</u>	<u>( 55)</u>
8200 Net profit for the period		<u>\$15,567,663</u>	<u>632</u>	<u>\$ 7,908,311</u>	<u>323</u>
<b>Other comprehensive income (net)</b>					
<b>Items that will not be reclassified to profit or loss</b>					
8311 Remeasurement of defined benefit plans	6(19)	\$ 3,467	-	\$ 1,343	-
8316 Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(5)	1,740,127	71	25,859	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(23)	( 1,084,931)	( 44)	( 675,797)	( 28)
8349 Income tax relating to non-reclassified items	6(32)	<u>199,103</u>	<u>8</u>	<u>137,860</u>	<u>6</u>
8310 Total of items not to be reclassified into profit or loss		<u>857,766</u>	<u>35</u>	<u>( 510,735)</u>	<u>( 21)</u>
<b>Items may be reclassified subsequently to profit or loss</b>					
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(23)	( 14,220,809)	(577)	27,741,506	1132
8399 Income tax related to items may be reclassified into profit or loss	6(32)	<u>241,319</u>	<u>9</u>	<u>( 275,264)</u>	<u>( 11)</u>
8360 Total of items may be reclassified subsequently to profit or loss		<u>( 13,979,490)</u>	<u>(568)</u>	<u>27,466,242</u>	<u>1121</u>
8300 Other Comprehensive Income (net)		<u>(\$13,121,724)</u>	<u>(533)</u>	<u>\$26,955,507</u>	<u>1100</u>
8500 Total comprehensive income for the period		<u>\$ 2,445,939</u>	<u>99</u>	<u>\$34,863,818</u>	<u>1423</u>
Earnings per share	6(33)				
9750 Basic earnings per share		<u>\$ 22.49</u>		<u>\$ 11.42</u>	
9850 Diluted earnings per share		<u>\$ 22.47</u>		<u>\$ 11.42</u>	

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

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

Ruentex Industries Ltd.  
Individual Equity Statement

For the Years Ended December 31, 2021 and 2020

Unit: NTD in Thousands

	Notes	Ordinary share capital		Retained earnings			Undistributed earnings	Other equities	Treasury stock	Total Equity
		Capital reserve	Legal reserve	Special reserve	Legal reserve	Special reserve				
2020										
Balance at January 1, 2020		\$ 5,648,606	\$ 12,754,472	\$ 1,626,973	\$ 34,224,178	\$ 6,187,778	\$ 13,579,683	\$ 552,479	\$ 73,469,211	
Net Income Current Period	6(22)	-	-	-	-	7,908,311	-	-	7,908,311	
Other Comprehensive Income	6(22)(23)	-	-	-	(93,315)	27,048,822	-	-	26,955,507	
Total Comprehensive Income Current Period		-	-	-	7,814,996	27,048,822	-	-	34,863,818	
Earning provision and appropriate for 2019:	6(22)									
Legal reserve		-	-	618,778	-	(618,778)	-	-	-	
Special reserve		-	-	-	33,370,110	33,370,110	-	-	-	
Cash dividend		-	-	-	-	(2,824,303)	-	-	(2,824,303)	
Cash dividends received by subsidiaries from the parent company	6(21)	-	77,409	-	-	-	-	-	77,409	
Overdue dividends not collected by shareholders	6(21)	-	21,703	-	-	-	-	-	21,703	
Changes in associates & joint ventures accounted for using equity method	6(21)(22)(23)	-	84	-	-	18,443	(18,443)	-	(84)	
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	6(22)(23)	-	-	-	-	100,281	100,281	-	-	
Disposal of investments accounted for using equity method	6(23)	-	-	-	-	(3,976)	(3,976)	-	(3,976)	
Balance on December 31, 2020		\$ 5,648,606	\$ 12,853,500	\$ 2,245,751	\$ 854,068	\$ 43,847,965	\$ 40,706,367	\$ 552,479	\$ 105,603,778	
2021										
Balance at January 1, 2021		\$ 5,648,606	\$ 12,853,500	\$ 2,245,751	\$ 854,068	\$ 43,847,965	\$ 40,706,367	\$ 552,479	\$ 105,603,778	
Net Income Current Period	6(22)	-	-	-	-	15,567,663	-	-	15,567,663	
Other Comprehensive Income	6(22)(23)	-	-	-	-	82,452	(13,204,176)	-	(13,121,724)	
Total comprehensive income for the period		-	-	-	-	15,650,115	(13,204,176)	-	2,445,939	
Earning provision and appropriate for 2020:	6(22)									
Legal reserve		-	-	773,316	-	(773,316)	-	-	-	
Cash dividend		-	-	-	-	(1,129,721)	-	-	(1,129,721)	
Share dividend		1,694,582	-	-	-	(1,694,582)	-	-	-	
Cash dividends received by subsidiaries from the parent company	6(21)	-	30,963	-	-	-	-	-	30,963	
Overdue dividends not collected by shareholders	6(21)	-	4,364	-	-	-	-	-	4,364	
Changes in associates & joint ventures accounted for using equity method	6(21)(22)(23)	-	2,328	-	-	18,843	(15,048)	-	6,123	
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	6(22)(23)	-	-	-	-	153,391	(153,391)	-	-	
Balance on December 31, 2021		\$ 7,343,188	\$ 12,891,155	\$ 3,019,067	\$ 854,068	\$ 56,072,695	\$ 27,333,752	\$ 552,479	\$ 106,961,446	

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

Chairman: Hsu, Sheng-Yü

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG,  
Hsiu-Yen

Ruentex Industries Ltd.  
Individual Statements of Cash Flows  
For the Years Ended December 31, 2021 and 2020

Unit: NTD in Thousands

	Notes	2021	2020
<u>Cash flows from operating activities</u>			
Net profit before tax for the period		\$ 15,838,952	\$ 9,267,052
Adjustments			
Income and expenses			
Depreciation expense	6(30)	103,817	99,553
Amortization expense	6(30)	2,319	3,304
Gain on reversal of expected credit impairment loss	6(30) (	1,659 ) (	82 )
Gains on Financial assets at fair value through profit or loss	6(28) (	143,521 ) (	141,187 )
Gains on reversal of financial assets impairment loss	6(28)	-	( 991 )
Interest Cost	6(29)	328,733	337,954
Dividend income	6(27) (	147,506 ) (	214,745 )
Interest revenue	6(26) (	23,910 ) (	82,116 )
Share of income of associates and subsidiaries accounted for using the equity method	6(7)	( 16,074,331 ) (	9,568,243 )
Net gain on disposal of investment	6(28)	-	( 3,976 )
Gains on disposals of real estate, plant and equipment	6(28) (	19,080 ) (	17,315 )
Gains on reversal of impairment of property, plant and equipment	6(28)	-	( 44 )
Write-off of loss on investment properties	6(28)	7	4
Write-off of loss on intangible assets	6(28)	-	1,923
Gains on lease modifications	6(28)	-	( 81 )
Gain from the price recovery of inventory declines	6(3) (	201,074 ) (	105,941 )
Loss (gain) on foreign currency exchange	(	214,559 )	328,792
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		( 267,664 ) (	353,834 )
Notes receivable		7	15
Bills receivable - related parties		-	142
Accounts receivable		( 3,789 )	23,743
Accounts receivable - related party		( 4,257 )	36,172
Other receivables		( 5,304 )	859
Other receivables - related Party		( 5,029 )	993
Inventories		186,988	163,487
Prepayments		10,540	41,733
Other Current Assets		( 46 )	294
Net change in operating liabilities			
2. Contract liabilities		842 (	2,400 )
Notes payable		( 1,008 ) (	4,696 )
Bills payable - related parties		38,245	28,234
Accounts payable		( 28,576 ) (	50,927 )
Accounts payable - related party		33,816 (	10,201 )
Other payables		23,411 (	12,278 )
Other Payable - Related Party		( 896 )	1,439
Other Current liabilities		( 368 ) (	772 )
Defined benefit liability		( 6,231 ) (	5,731 )
Cash outflow from operations		( 581,131 ) (	239,867 )
Interest received		27,423	88,897
Interest paid		( 332,041 ) (	332,362 )
Income tax paid		( 1,362,242 ) (	7,616 )
Income tax refunded		27,989	2,015
Cash outflow from operating activities		( 2,220,002 ) (	488,933 )

(Continued)

Ruentex Industries Ltd.  
Individual Statements of Cash Flows  
For the Years Ended December 31, 2021 and 2020

Unit: NTD in Thousands

	Notes	2021	2020
<u>Cash flows from investing activities</u>			
Costs returned for financial assets at fair value through profit or loss	6(4)	\$ -	\$ 991
Acquisition of financial assets at fair value through other comprehensive income	6(5)	( 10,023 )	( 1,954 )
Disposal of financial assets at fair value through other comprehensive income	6(5)	173,409	61,530
Distribution of dividends at investment cost through financial assets at fair value through other comprehensive income	6(5)	-	122,503
Share capital returned from capital reduction in financial assets at fair value through other comprehensive income	6(5)	127,438	-
Acquisition of financial assets at amortized cost		-	( 578,247 )
Investment under the equity method acquired	6(7)	( 90,800 )	( 110,500 )
Share capital returned from capital reduction in investments using the equity method	6(7)	181,500	-
Real estate, plant and equipment acquired	6(34)	( 16,284 )	( 72,831 )
Disposal of real estate properties, plants and equipment		18,099	16,258
Investment real estate acquired	6(34)	( 759 )	( 553 )
Acquisition of intangible assets	6(34)	( 2,010 )	-
Disposal of intangible assets		-	230
Decrease (increase) in refundable deposits (listed in “other non-current assets”)		( 59 )	2,936
Increase in prepayments for business facilities (recognized in “other non-current assets”)		( 476 )	( 286 )
Increase in other non-current assets		( 225 )	( 43 )
Dividends received		4,836,590	524,893
Net cash inflow (outflow) of the investment activities		<u>5,216,400</u>	<u>( 35,073 )</u>
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term borrowings	6(35)	( 1,187,700 )	884,500
Increase in short-term bills payable	6(35)	1,210,000	-
Proceeds from long-term borrowings	6(35)	33,220,000	28,270,000
Repayments of long-term borrowings	6(35)	( 31,837,500 )	( 26,945,000 )
Increase in guarantee deposits received (listed in “other non-current liabilities”)	6(35)	47,915	62,464
Decrease in guarantee deposits received (listed in “other non-current liabilities”)	6(35)	( 60,002 )	( 65,129 )
Principal elements of lease payments	6(9)(35)	( 58,607 )	( 59,203 )
Cash dividends paid	6(22)	( 1,129,721 )	( 2,824,303 )
Net cash inflow (outflow) from financing activities		<u>204,385</u>	<u>( 676,671 )</u>
Net effect of changes in foreign currency exchange rates on cash and cash equivalent		228,500	( 321,600 )
Net increase (decrease) in cash and cash equivalents		3,429,283	( 1,522,277 )
Cash and cash equivalents at beginning of period		6,509,574	8,031,851
Cash and cash equivalents at the end of the period		<u>\$ 9,938,857</u>	<u>\$ 6,509,574</u>

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

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

## Ruentex Industries Ltd.

## Comparison table of the amendments in the “Articles of Incorporation”

After amendment	Before amendment	Description
<p>Article 7 All the shares of the Company are registered and shall be affixed with the signatures <u>or</u> personal seals of <u>the director representing the Company</u>. The shares may be issued only after they are legally certified. The Company may print a consolidated share certificate representing the total number of the new shares to be issued as requested by the Taiwan Depository &amp; Clearing Corporation. The Company may issue shares without printing share certificates.</p>	<p>Article 7 All the shares of the Company are registered and shall be signed by or affixed with the seals of at least three directors. The shares may be issued only after they are legally certified. The Company may print a consolidated share certificate representing the total number of the new shares to be issued as requested by the Taiwan Depository &amp; Clearing Corporation. The Company may issue shares without printing share certificates.</p>	<p>Amendment in accordance with Article 162 of the Company Act.</p>
<p>Article 14 For annual shareholders’ meeting, the notice of meeting shall be served to each shareholder at least thirty days prior to the meeting; for special shareholders’ meeting, a notice of meeting shall be served to each shareholder at least fifteen days prior to the meeting. A shareholders’ meeting shall be convened in accordance with Article 172 of the Company Act. <u>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.</u></p>	<p>Article 14 For annual shareholders’ meeting, the notice of meeting shall be served to each shareholder at least thirty days prior to the meeting; for special shareholders’ meeting, a notice of meeting shall be served to each shareholder at least fifteen days prior to the meeting. A shareholders’ meeting shall be convened in accordance with Article 172 of the Company Act.</p>	<p>Amendment in accordance with Article 172-2 of the Company Act.</p>
<p>Article 34-1 If after the annual closing of books, there is a profit, the Company shall, after having provided for income taxes and offset the accumulated losses of previous years, retain the 10% legal reserve; Where such legal reserve</p>	<p>Article 34-1 If after the annual closing of books, there is a profit, the Company shall, after having provided for income taxes and offset the accumulated losses of previous years, retain the 10% legal reserve; Where such legal reserve</p>	<p>Addition to clarify the manners of a special reserve allocation in accordance with Jin-Guan-</p>

After amendment	Before amendment	Description
<p>amounts to the total paid-in capital of the Company, this provision shall not apply. If the balance (distributable profits for the current year), together with the undistributed earnings in the previous year and retained special reserves prescribed by laws and regulations, are available for distribution, the Board shall present a proposal on dividends, or retention at a shareholders' meeting for resolution. <u>The Company shall allocate special reserve in the manners listed below:</u></p> <p><u>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.</u></p> <p><u>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.</u></p>	<p>amounts to the total paid-in capital of the Company, this provision shall not apply. If the balance (distributable profits for the current year), together with the undistributed earnings in the previous year and retained special reserves prescribed by laws and regulations, are available for distribution, the Board shall present a proposal on dividends, or retention at a shareholders' meeting for resolution.</p>	<p>Zheng-Fa-Zi No. 1090150022 issued by the Financial Supervisory Commission on March 31, 2021.</p>

## Ruentex Industries Ltd.

## Comparison table of the amendments in the “Regulations for Management of the acquisition or disposal of assets”

After amendment	Before amendment	Description
<p>Article 5 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> <li>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since the completion of service of the sentence, since the expiration of the period of a suspended sentence, or since a pardon was received.</li> <li>2. May not be a related party or de facto related party of any party to the transaction.</li> <li>3. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</li> </ol> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-discipline standards of affiliated associations</u> and the following:</p>	<p>Article 5 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> <li>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since the completion of service of the sentence, since the expiration of the period of a suspended sentence, or since a pardon was received.</li> <li>2. May not be a related party or de facto related party of any party to the transaction.</li> <li>3. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</li> </ol> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p>	<p>Addition in accordance with changes to relevant laws and regulations.</p>

After amendment	Before amendment	Description
<p>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2. When <u>carrying out</u> a case, they shall appropriately plan and execute adequate working procedures to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>adequacy</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, that they have evaluated and found that the information used is <u>adequate and</u> reasonable, and that they comply with applicable laws and regulations.</p>	<p>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, that they have evaluated and found that the information used is reasonable <u>and accurate</u>, and that they comply with applicable laws and regulations.</p>	
<p>Article 8 In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances</p>	<p>Article 8 In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser <u>in advance</u> and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances</p>	<p>Addition in accordance with changes to relevant laws and regulations.</p>

After amendment	Before amendment	Description
<p>it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p style="padding-left: 40px;">(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p style="padding-left: 40px;">(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly</p>	<p>it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any of the following circumstances applies with respect to the professional appraiser's results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall <u>be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and</u> render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p style="padding-left: 40px;">(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p style="padding-left: 40px;">(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. <u>Where an appraisal report is issued prior to the contract execution date,</u> no more than 3 months may elapse between the date of the appraisal report issued by a professional</p>	

After amendment	Before amendment	Description
<p>announced current value for the same period is used and not more than 6 months have elapsed, the original professional appraiser may still issue an opinion.</p> <p>Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report shall be obtained within 2 weeks counting inclusively from the date of occurrence, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph, <u>shall be obtained within 2 weeks counting inclusively from the date of obtainment of the appraisal report.</u></p>	<p>appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report, <u>and</u> the certified public accountant's opinion under subparagraph 3 of the preceding paragraph, shall be obtained within 2 weeks counting inclusively from the date of occurrence.</p>	
<p>Article 9 The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. If the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. However, this requirement does not apply to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</p>	<p>Article 9 The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. If the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use an expert's report as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> However, this requirement does not apply to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of</p>	<p>Addition in accordance with changes to relevant laws and regulations.</p>

After amendment	Before amendment	Description
	the Financial Supervisory Commission.	
<p>Article 10 Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>Article 10 Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p>	<p>Addition in accordance with changes to relevant laws and regulations.</p>
<p>Article 13 When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been submitted to and approved by the Audit Committee and the board of directors:</p> <ol style="list-style-type: none"> <li>1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>2. The reason for choosing the related party as a transaction counterparty.</li> </ol>	<p>Article 13 When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been submitted to and approved by the Audit Committee and the board of directors:</p> <ol style="list-style-type: none"> <li>1. The purpose, necessity and anticipated benefit of the acquisition or disposal of <u>real property.</u></li> <li>2. The reason for choosing the related party as a transaction counterparty.</li> </ol>	<p>Adjustments to the order and addition in accordance with changes to relevant laws and regulations.</p>

After amendment	Before amendment	Description
<p>3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms is in accordance with Article 14 and Article 15.</p> <p>4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of the contract's signing, evaluation of the necessity of the transaction, and reasonableness of the fund's utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may</p>	<p>3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms is in accordance with Article 14 and Article 15 of <u>the Regulations</u>.</p> <p>4. The date and price at which the related party originally acquired the real property, the original transaction counterpart, and that transaction counterpart's relationship to the Company and the related party.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of the contract's signing, evaluation of the necessity of the transaction, and reasonableness of the fund's utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 28, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors need not be counted toward the transaction amount.</u></p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued <u>shares</u> or authorized capital, the Company's board of directors may</p>	

After amendment	Before amendment	Description
<p>pursuant to Article 7, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</li> <li>2. Acquisition or disposal of real property right-of-use assets held for business use.</li> </ol> <p>When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the board of directors' meeting minutes.</p> <p>The matters pursuant to paragraph 1 shall first be approved by one-half or more of all Audit Committee members and then submitted to the board of directors for a resolution. They shall be subject to mutatis mutandis application of Article 6, paragraphs 3 and 4.</p> <p><u>When transactions pursuant to paragraph 1 to be conducted between the Company and its subsidiary, which is not a domestic public company and the transaction amount reaches 10 percent or more of total assets, the Company may not proceed to enter into a transaction contract or make a payment until the matters prescribed have been approved by the shareholders' meeting; However, this requirement does not apply to transactions between the Company and its parent or subsidiaries, or between its subsidiaries.</u></p> <p><u>The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be done</u></p>	<p>pursuant to Article 7, paragraph 1, subparagraph 2 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</li> <li>2. Acquisition or disposal of real property right-of-use assets held for business use.</li> </ol> <p>When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the board of directors' meeting minutes.</p> <p>The matters pursuant to paragraph 1 shall first be approved by one-half or more of all Audit Committee members and then submitted to the board of directors for a resolution. They shall be subject to mutatis mutandis application of Article 6, paragraphs 3 and 4.</p>	

After amendment	Before amendment	Description
<p><u>in accordance with Article 28, paragraph 2, and "within the preceding year" as used refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by shareholders' meetings and the board of directors need not be counted toward the transaction amount.</u></p>		
<p>Article 28 Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: (1.~ 6. omitted) 7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NTS\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds, <u>or international bonds issued by a foreign central government with a sovereign rating not lower than the sovereign rating of the ROC.</u></p> <p>(2) Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of <u>foreign central government bonds</u>, ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the</p>	<p>Article 28 Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: (1.~ 6. omitted) 7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NTS\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds.</p> <p>(2) Where done by professional investors-securities trading on <u>foreign or domestic securities exchanges or OTC markets</u>, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the <u>domestic</u></p>	<p>Addition in accordance with changes to relevant laws and regulations.</p>

After amendment	Before amendment	Description
<p>primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription and sell back of exchange traded notes,</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(The following is omitted)</p>	<p>primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(The following is omitted)</p>	

**Ruentex Industries Ltd.**  
**List of Candidates for Independent Director**

<b>Name</b>	<b>Education and experience</b>	<b>Shareholding (Shares)</b>
<b>Chen, Shou-Jen</b>	MA, Department of Business Administration, NCHU President of HR Dep., Concord ( China ) Ltd. (Since 2002 to 2020) President, Ruen Fu Newlife Corp. (Since 1996 to 2002)	0

**Ruentex Industries Ltd.**

List of the lifting of the non-competition restrictions on the Board of Director

<b>Name</b>	<b>Concurrent Position in other Companies</b>
Huei Hong Investment Co., Ltd. Representative : Hsu, Sheng-Yu	Chairman, Kompass Global Sourcing Solutions Ltd. Director, Ruen Chen Investment Holding Co., Ltd. Director, Ruentex Development Co., Ltd. Director, Ruentex Material Co., Ltd. Director, Ruentex Hsu Chan Co. Ltd.

## **Ruentex Industries Ltd. Articles of Incorporation**

### **Chapter I General provisions**

Article 1: The Company is organized in accordance with the Company Act and named Ruentex Industries Ltd.

Article 2: The business scope of the Company is as follows:

1. A102060 Food Dealers.
2. C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food.
3. C104020 Manufacture of Bakery and Steam Products.
4. C301010 Spinning of Yarn.
5. C302010 Weaving of Textiles.
6. C305010 Printing, Dyeing, and Finishing.
7. C306010 Wearing Apparel.
8. C307010 Clothing Accessories.
9. C399990 Other Textile Products Manufacturing.
10. C401030 Tanning and Dressing of Leather; Dressing and Dyeing of Fur.
11. C402030 Manufacture of Leather, Fur and Related Products.
12. C801120 Manufacture of Man-made Fibers.
13. C901030 Cement Manufacturing.
14. C901040 Manufacture of Ready-mix Concrete.
15. C901050 Cement and Concrete Products Manufacturing.
16. CB01010 Mechanical Equipment Manufacturing.
17. CB01020 Affairs Machine Manufacturing.
18. CC01080 Electronics Components Manufacturing.
19. CC01110 Computer and Peripheral Equipment Manufacturing.
20. CJ01010 Hat Manufacturing.
21. F101040 Wholesale of Livestock and Poultry.
22. F101050 Wholesale of Fishery Products.
23. F101070 Wholesale of Fishing Gears or Tackles.
24. F101081 Wholesale of Plant Seeds.
25. F101130 Wholesale of Vegetables and Fruits.
26. F102020 Wholesale of Edible Fat and Oil.
27. F102030 Wholesale of Tobacco Products and Alcoholic

Beverages.

- 28.F102040 Wholesale of Nonalcoholic Beverages.
- 29.F102050 Wholesale of Tea Leaves.
- 30.F102170 Wholesale of Foods and Groceries.
- 31.F102180 Wholesale of Alcohol.
- 32.F103010 Wholesale of Animal Feeds.
- 33.F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories.
- 34.F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures.
- 35.F106020 Wholesale of Daily Commodities.
- 36.F106030 Wholesale of Molds.
- 37.F106040 Wholesale of Plumbing Materials.
- 38.F106050 Wholesale of Ceramic and Glassware.
- 39.F107010 Wholesale of Paints, Coating and Varnishes.
- 40.F107020 Wholesale of Dyes and Pigments.
- 41.F107030 Wholesale of Cleaning Supplies.
- 42.F107190 Wholesale of Films and Bags.
- 43.F108031 Wholesale of Medical Devices.
- 44.F108040 Wholesale of Cosmetics.
- 45.F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies.
- 46.F111090 Wholesale of Building Materials.
- 47.F112020 Wholesale of Coal and Coal Products.
- 48.F112040 Wholesale of Petroleum Products.
- 49.F113020 Wholesale of Electrical Appliances.
- 50.F113060 Wholesale of Measuring Instruments.
- 51.F114040 Wholesale of Bicycle and Component Parts Thereof.
- 52.F115010 Wholesale of Jewelry and Precious Metals.
- 53.F115020 Wholesale of Ores.
- 54.F116010 Wholesale of Camera Equipment.
- 55.F201010 Retail sale of Livestock Products.
- 56.F201020 Retail sale of Husbandry Products.
- 57.F201030 Retail Sale of Fishery Products.
- 58.F201061 Retail sale of Seedling.
- 59.F202010 Retail sale of Feeds.
- 60.F203010 Retail Sale of Food, Grocery and Beverage.

- 61.F203020 Retail Sale of Tobacco and Alcohol.
- 62.F203030 Retail Sale of Ethanol.
- 63.F204110 Fabrics, clothing, shoes, hats, umbrellas, and garments retail business.
- 64.F205040 Furniture, bedding, kitchen appliances, and furnishings retail business.
- 65.F206020 Retail Sale of Daily Commodities.
- 66.F206040 Retail Sale of Plumbing Materials.
- 67.F207030 Retail Sale of Cleaning Supplies.
- 68.F207050 Retail Sale of Cleaning Fertilizer.
- 69.F207080 Retail Sale of Environmental Agents.
- 70.F207190 Retail Sale of Films and Bags.
- 71.F208031 Retail sale of Medical Apparatus.
- 72.F208040 Retail Sale of Cosmetics.
- 73.F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies.
- 74.F212030 Retail Sale of Coal.
- 75.F212040 Retail Sale of Charcoal.
- 76.F215010 Retail Sale of Jewelry and Precious Metals.
- 77.F301010 Department Stores.
- 78.F301020 Supermarkets.
- 79.F399010 Convenience Stores.
- 80.F401010 International Trade.
- 81.F401071 Plant Seed Export and Import.
- 82.F401161 Tobacco Products Import.
- 83.F401171 Alcohol Products Importation.
- 84.F401181 Measuring Instruments Import.
- 85.F501030 Beverage Shops.
- 86.F501060 Restaurants.
- 87.G202010 Parking Area Operators.
- 88.G801010 Warehousing.
- 89.H701010 Housing and Building Development and Rental.
- 90.H701020 Industrial Factory Development and Rental.
- 91.H701060 New Towns, New Community Development.
- 92.H703100 Real Estate Leasing.
- 93.IZ06010 Tally Packaging.
- 94.F401021 Restrained Telecom Radio Frequency Equipment and Materials Import.

95.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The Company may provide guarantees externally.

Article 3: The Company's total amount of investment in other businesses is not subject to the limitation of forty percent of the amount of its own paid-up capital, and the Board of Directors is authorized to make investment decisions.

Article 4: 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 5: The method with which the Company makes announcement shall be subject to Article 28 of the Company Act.

### **Chapter II Shares**

Article 6: The total capital of the Company shall be NT\$15 billion, divided into 1.5 billion shares at a par value of NT\$10 per share. The Board of Directors is authorized to issue these shares in phases.

Article 7: All the shares of the Company are registered and shall be signed by or affixed with the seals of at least three directors. The shares may be issued only after they are legally certified. The Company may print a consolidated share certificate representing the total number of the new shares to be issued as requested by the Taiwan Depository & Clearing Corporation. The Company may issue shares without printing share certificates.

Article 8: Any shareholder shall fill out a signature card and send it to the Company to be filed for reference. When the shareholder subsequently receives dividends, bonuses or contacts the Company in writing shall only use the retained signature. Where the specimen chop is lost or destroyed, a lost specimen chop application shall be completed specifying the serial numbers and number of shares bearing the old chop, together with identification papers and copies thereof, new specimen chop card and the stock certificates, and the above materials shall be personally sent to the Company for processing. Upon determination that the specimen chop may be replaced with a new one or with a specimen signature, the new specimen chop shall be effective. Where the procedures for replacement of a

specimen chop with a new chop or provision of a specimen signature are consigned to a third party or handled through correspondence, the chop certificate issued by the household registration office, or an application letter for a juristic person, shall be submitted.

Article 9: In the circumstance of shares transfer, the shares shall be submitted to the Company for ownership change in order to be effective. For the transfer via inheritance, legal documents shall be provided.

Article 10: Where a stock certificate is lost or stolen, the shareholder or the legal owner shall report the event to the police authorities for handling or recordation, complete the loss of stock application, and send such to the Company for its examination and recordation. (where the transfer has not been previously registered, the securities firm or the transferor shall supply the original purchasing report and certificate of stock number.) He/She shall inform the securities exchanges and security firms by overnight mail. The applicant shall also, within five days, apply to the courts under the Code of Civil Procedure for public announcement of the event, and a copy of the court application and the court acceptance voucher shall be sent to the Company; where such procedure is not commenced upon the expiration of the time period, the company may cancel the application for lost stock certificates.

Article 11: The Company may charge handling fees and stamp duties for the re-issuance of stock due to damage or preceding events.

Article 12: The entries in the shareholders' roster shall not be altered within sixty days prior to the convening date of each annual shareholders meeting, within thirty days prior to the convening date of the special shareholders meeting, or within five days prior to the record date fixed by the Company to distribute dividends, bonuses, or other benefits.

### **Chapter 3 Shareholders' Meeting**

Article 13: Shareholders' meetings shall have two types: regular shareholders' meeting and special shareholders' meeting.

1. Regular shareholders' meeting shall be convened within six months of the close of each fiscal year by the Board.

2. A special meeting may be convened in accordance with the

law if necessary.

Article 14: For annual shareholders' meeting, the notice of meeting shall be served to each shareholder at least thirty days prior to the meeting; for special shareholders' meeting, a notice of meeting shall be served to each shareholder at least fifteen days prior to the meeting. A shareholders' meeting shall be convened in accordance with Article 172 of the Company Act.

Article 15: Except as otherwise provided by the Company Act, a shareholders' meeting shall be attended by shareholders representing a majority of the total number of issued shares, and a resolution shall be adopted by a majority of the votes held by the shareholders present at the meeting.

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 16: A shareholder shall have one voting power in respect of each share.

Article 17: A shareholder may appoint a proxy to attend the meeting by producing a proxy form issued by the Company and stamped with the retained signature specifying the scope of the authority. Only one proxy form may be submitted by a shareholder, and each proxy is limited to the one person.

Article 18: 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 19: When the government or a juristic person is a shareholder, its proxy shall not be limited to one person, provided that the voting right that may be exercised shall be calculated on the basis of the total number of voting shares it holds.

Article 20: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall record the date, time, location, number of attendance, number of proxies, number of attending shareholders held, number of voting rights, name of Chairman, resolutions and the methods by which resolutions are adopted, be affixed with the chairman of the meeting's signature.

The meeting minutes shall be kept together with the book of shareholder attendance and proxy forms by the Company. The provisions of Article 183 of the Company Act shall apply mutatis mutandis to the aforesaid minutes.

#### **Chapter IV Directors and Management Personnel**

Article 21: The Company shall have seven to nine directors and the Audit Committee, and the Board is authorized to approve the number of directors. Election of directors shall adopt candidate nomination measures stipulated in Article 192-1 of the Company Act, and shareholders shall elect from the list of nominees in compliance with Article 198 of the Company Act. Among the directors, the number of independent directors shall be at least two and may not be less than one-fifth of the number of directors.”

Article 22: Directors shall each hold office for a term of three years, and are eligible for re-election. 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 22-1: 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 22-2: In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of outgoing directors shall be extended until the time new directors have been elected and assumed their office. Audit Committee shall consist of the entire independent directors responsible of exercising the duties of supervisors in accordance with the Company Act, Securities and Exchange Act and other laws and regulations.

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 Incorporation and resolutions of the shareholders' meeting and Board of Directors. The Chairman shall externally represent the Company.

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. Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

A notice for convening a Board of Directors meeting shall be sent to all directors in writing or by fax seven 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 24: Each director shall attend the meeting of the board of directors in person. If a director is unable to attend in person, he/she may appoint other director as proxy in accordance with Article 205 of the Company Act.

Article 25: The management policies of the Company and other material matters shall be subject to resolutions of the Board of Directors. The said material matters include acquisition and disposal of the Company's material assets and properties.

Article 26: Directors shall be paid for monthly compensation and remuneration regardless of the Company's financial performance. The board of directors is authorized to decide the remuneration amount based on the director's involvement in the Company's operation and contribution. Employees shall be paid for monthly salary regardless of the Company's financial performance.

Article 27: The Company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties.

Article 28: The Company shall have one president and several managerial officers. The appointment, dismissal and remuneration of the

president and finance managerial officer shall be decided by a resolution to be adopted by a majority vote of the directors at a meeting of the board of directors attended by at least a majority of the entire directors of the Company. The Chairman is authorized to make decision on appointment, dismissal and remuneration of other managerial officers in accordance with the regulations governing personnel appointment and remuneration approved by the board of directors' meeting.

A managerial personnel shall be empowered to manage the operation of the company and to sign relevant business documents for the company, subject to the scope of his/her duties and power as specified in the Articles of Incorporation or his/her employment contract.

Article 29: The President of the Company upholds the decisions of the Chairman to manage all the Company's business.

Article 30: Other personnel of the Company shall be nominated by the President and submitted to Chairman for assignment.

#### **Chapter V Accounting**

Article 31: The Company's fiscal year begins on January 1 and ends on December 31 of each year and annual closing of books shall be made at the end of each fiscal year.

Article 32: After the closing of book, the board of directors shall prepare the business report, financial statements, and earnings distribution or deficit offset plan prescribed in the Company Act, and submit to the annual shareholders meeting for recognition in accordance with the statutory procedures.

Article 33: The Company's financial statements shall be audited by certified public accountants. The assignment, dismissal and remuneration of certified public accountants shall be approved by a majority of directors.

Article 34: When the Company has a profit in a fiscal year, 0.3% to 0.5% of such profit shall be distributed as the employees' compensation. If the Company has accumulated losses, an equivalent amount from the profit earned shall be reserved to make up for losses. The remuneration to employees as stated in the preceding paragraph can be paid in cash or in shares, and employees of affiliated companies who meet certain requirement shall be entitled to receive such remuneration.

Article 34-1: If after the annual closing of books, there is a profit, the Company shall, after having provided for income taxes and offset the accumulated losses of previous years, retain the 10% legal reserve; Where such legal reserve amounts to the total paid-in capital of the Company, this provision shall not apply. If the balance (distributable profits for the current year), together with the undistributed earnings in the previous year and retained special reserves prescribed by laws and regulations, are available for distribution, the Board shall present a proposal on dividends, or retention at a shareholders' meeting for resolution.

Article 34-2: 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 dividends.

#### **Chapter VI Supplemental Provisions**

Article 35: Matters not addressed by these Articles shall be governed by the Company Act.

Article 36: These Articles of Incorporation were adopted on December 2, 1975.

1st amendment was made on June 30, 1976.

2nd amendment was made on March 2, 1977.

3rd amendment was made on April 20, 1978.

4th amendment was made on July 20, 1978.

5th amendment was made on April 28, 1979.

6th amendment was made on May 28, 1980.

7th amendment was made on May 27, 1981.

8th amendment was made on April 30, 1982.

9th amendment was made on June 28, 1983.

10th amendment was made on April 14, 1984.

11th amendment was made on April 23, 1985.

12th amendment was made on May 29, 1987.

13th amendment was made on April 15, 1988.

14th amendment was made on December 17, 1988.

15th amendment was made on May 31, 1989.

16th amendment was made on April 28, 1990.

17th amendment was made on April 27, 1991.

18th amendment was made on April 24, 1992.

19th amendment was made on May 20, 1993.  
20th amendment was made on April 22, 1994.  
21st amendment was made on May 31, 1995.  
22nd amendment was made on June 5, 1996.  
23rd amendment was made on April 8, 1997.  
24th amendment was made on May 8, 1998.  
25th amendment was made on June 10, 1999.  
26th amendment was made on June 30, 2000.  
27th amendment was made on May 17, 2001.  
28th amendment was made on June 21, 2002.  
29th amendment was made on June 18, 2004.  
30th amendment was made on June 16, 2005.  
31st amendment was made on June 14, 2006.  
32nd amendment was made on June 17, 2010.  
33rd amendment was made on December 31, 2010.  
34th amendment was made on June 12, 2012.  
35th amendment was made on June 17, 2013.  
36th amendment was made on June 23, 2014.  
37th amendment was made on June 23, 2016.  
38th amendment was made on June 19, 2019.

## Rules of Procedure for Shareholders' Meetings of Ruentex Industries Ltd.

First adopted by the Shareholders' Meeting on April 20, 1978  
1st amendment made by the Shareholders' Meeting on May 8, 1998  
2nd amendment made by the Shareholders' Meeting on June 21, 2002  
3rd amendment made by the Shareholders' Meeting on June 23, 2014

- I. The shareholders' meeting of the Company, except as otherwise provided by the Company Act and the Articles of Incorporation, shall be governed by these Rules.
- II. A "shareholder" under these Rules shall mean any shareholder and the proxy attending the meeting on behalf of the shareholder.
- III. 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.
- IV. The attendance and voting are calculated on the basis of shares. At a shareholders' meeting convened by the Company, any shareholder may choose to exercise voting rights by written or electronic 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.  
The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in, plus the number of shares whose voting rights are exercised in a written or electronic form.  
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.  
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.
- V. 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.
- VI. 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 chairman.

- VII. The Company may appoint its attorneys, certified public accountants, or related persons to attend the meeting in a non-voting capacity.

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

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

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

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

- X. 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.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.

During the session of a shareholders' meeting, if the chairman declares the adjournment of the meeting in a manner in violation of such rules governing the proceedings of meetings, a new chairman of the meeting may be elected

by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceedings of the meeting.

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

- XI. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman.

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.

- XII. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 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.

- XIII. Any juristic person presents at the shareholders' meeting as a proxy may only assign one representative attending 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.

- XIV. After an attending shareholder has spoken, the chair may respond or direct relevant personnel to respond.

- XV. 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 call for a vote.

- XVI. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The voting result shall be announced on-site, with a record made in this regard.

- XVII. When a meeting is in progress, the chair may announce a break based on time considerations.

- XVIII. 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.

- XIX. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be 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.
- XX. The chair may direct the proctors or security personnel to help maintain order at the meeting place. Such disciplinary officers (or security guards) shall wear badges marked "Disciplinary Officers" for identification purposes.
- XXI. 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.
- XXII. Matters not provided for in these Rules shall be subject to the meeting rules issued by the Ministry of the Interior.
- XXIII. These Rules and any amendment thereto shall be implemented after they are adopted by the shareholders' meeting.

Ruentex Industries Ltd.  
Regulations for the Election of Directors

Established on June 21, 2002

Third amendment on June 19, 2019

- Article 1: Except as otherwise provided by the Company Act and the Articles of Association, the election and election and by-election of the directors of the Company shall be governed by these Regulations.
- Article 2: Directors shall be elected by the shareholders' meeting from among the persons with disposing capacity. The election of directors shall be held under a candidate nomination system, where the directors will be elected from a list of candidates.
- Article 3: The election of the Company's directors adopts cumulative voting method.
- Article 4: In the process of electing directors at a shareholders' meeting, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates unless otherwise provided for in its Articles of Incorporation. The elections of independent and non-independent directors shall be held at the same time, with the numbers of elected directors calculated separately.
- Article 5: The ballots received by each director in a single shareholders' meeting shall be counted separately.
- Article 6: The number of directors shall be specified in the Articles of Association of the Company. The candidates who have received ballots representing the higher numbers of voting rights will be elected sequentially according to their respective numbers of voting rights. When two or more candidates have received the same numbers of voting rights, thus exceeding the specified number of directors, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any such a candidate not in attendance.
- Article 7: The ballots shall be printed by the Board of Directors of the Company, and distributed to each shareholder based on the number of directors to be elected (one vote for one person). The number of voting rights specified in each ballot shall be the number of voting rights of the relevant shareholder.
- Article 8: Attendance card numbers printed on the ballots may be used instead of the account numbers of voters.
- Article 9: Voters shall fill in candidate's name and shareholder account number or tax ID number in the "Candidate" column on the ballot. Where the candidate is a shareholder as a juristic person, the name of the juristic person and the name of its representative shall be written in the "Candidate" column on the ballot.
- Article 10: When the election starts, the chair shall designate a number of persons as vote monitoring and counting personnel to perform tasks related to the election.
- Article 11: A ballot shall be invalid under any of the following circumstances:
1. The use of any ballot not printed by the Company.
  2. The "Candidate" column is left blank.
  3. The handwriting is unclear and unidentifiable.
  4. The name and shareholder account number of the candidate are inconsistent with those in the shareholder register.
  5. Text other than the name and shareholder account number of the candidate has been written.
  6. Where the name of the candidate is the same as any other shareholder, the

candidate is unidentifiable due to failure to write the shareholder account number.

7. The number of voting rights to be cast exceeds that recorded in the shareholder register (converted number of voting rights).

8. Two or more candidates have been written on the ballot.

Article 12: The ballots shall be counted on the spot following completion of voting, and the result shall be announced by the chairperson on the spot.

Article 13: These Regulations and any amendment thereto shall be implemented after they are approved by the shareholders' meeting.

## Shares Held by the Directors of Ruentex Industries Ltd.

Book closure date for the shareholders' annual meeting: April 25, 2022

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

Title	Legally required percentage of shareholding	Legally required number of shares held (Note)	Number of shares recorded in the shareholder register
All directors	4.0000%	23,498,200 shares	74,698,546 shares

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%.

### II. List of shares held by directors:

Title	Name	Date of election	Term of office (year)	Number of shares recorded in the shareholder register (share)	Percentage of shares held (%)
Chairman	Huei Hong Investment Co., Ltd. Representative: Hsu, Sheng-Yu (Note 1)	July 30, 2021	III.	44,434,910	6.05
Director	Huei Hong Investment Co., Ltd. Representative: Hsu, Chih-Chang	July 30, 2021	III.		
Director	Huei Hong Investment Co., Ltd. Representative: Yen, Tien-Cheng	July 30, 2021	III.		
Director	Ruentex Xing Co. Ltd. Representative: Chung-yao Yin	July 30, 2021	III.	13,196,792	1.80
Director	Ruentex Xing Co. Ltd. Representative: Lee, Tien-Chien	July 30, 2021	III.		
Director	Shu-Tien Urology and Ophthalmology Clinic Representative: Chih-hung Li	July 30, 2021	III.	17,066,844	2.32
Independent Director	Wang, Tay-Chang	July 30, 2021	III.	0	0
Independent Director	Tang, Gia-Khy	July 30, 2021	III.	0	0
Total number of shares held and ratio of shareholding by all directors				74,698,546	10.17

Note 1: The representative of Huei Hong Investment Co., Ltd., Mr. Yin Wong, Yee-Fan was dismissed on January 26, 2022, and Mr. Hsu, Sheng-Yu took over on the same day

Note 2: The Company's independent director Mr. Lin, Su-Ming resigned on September 14, 2021.

Note 3: The percentage of combined shareholding of all directors is in line with the Rules.

Note 4: The Company has adopted the Audit Committee system, so the legally required percentage of shareholding for supervisors is not applicable.