

NAUTICA

STOCK CODE 2915



*2023 Annual Shareholders' Meeting*

# MEETING HANDBOOK

RUENTEX INDUSTRIES LIMITED

DATE OF PUBLICATION  
JUNE 16, 2023



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Ruentex Industries Ltd.  
Agenda of 2023 Annual Meeting of Shareholders

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Reports
- IV. Ratifications
- V. Discussion
- VI. Extempore Motions
- VII. Adjournment

# Ruentex Industries Ltd. Agenda of 2023 Annual Meeting of Shareholders

Meeting type: Physical shareholders meeting

Time: June 16, 2023(Friday) at 9:00am

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

I. Chairperson Remarks

II. Reports:

1. 2022 business report of the Company.
2. Audit Committee's review report on the 2022 financial statements.
3. Report on distribution of the 2022 employees' remuneration.
4. Report on changes in the Company's accounting policy on investment property.

III. Ratifications:

1. Financial statements for 2022.
2. Distribution of Earnings for 2022.

IV. Discussion:

1. Proposal to distribute cash from the legal reserve, submitted for discussion.
2. Amendments to the company's "Rules of Procedure for Shareholders Meetings" are hereby submitted for discussion.

V. Extempore Motions

VI. Adjournment

## [Reports]

1. 2022 business report of the Company, please kindly review.

### Ruentex Industries Ltd. 2022 Business Report

Dear shareholders,

The Company's 2022 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 2022 was NT\$2.874 billion; gross profit was NT\$981 million; net income for the period was NT\$12.063 billion; earnings per share was NT\$15.55.

Although the COVID-19 pandemic during 2022 has gradually come to an end, the impacts of the Russo-Ukrainian War, global inflation, and interest rate hikes have added to the uncertainties over the economic situation. Faced with such an ever-changing business environment, the Company's management still seized the opportunity arising from the economic rebound to enhance the Company's performance. As such, the Company's 2022 consolidated operating revenue grew by about 7% compared to 2021, consolidated gross profit grew by about 3% compared to 2021, and consolidated net operating income grew by about 14% compared to 2021.

Non-operating income mainly sourced directly and indirectly from the recognition of investment profit in Nan Shan Life Insurance by Ruen Chen Investment Holdings. Due to the decline in the values of financial assets of stocks and bonds during 2022, the net worth of Nan Shan Life Insurance dropped sharply. The Company was also significantly affected by the recognition of Nan Shan Life Insurance's unrealized loss on the financial assets in proportion to the shareholding. However, the Company immediately adopted plans to revise the accounting policy on investment property and conduct a cash capital increase to maintain the stability and sustainability of the Company's business.

- (2) Future Outlook:

Regarding the retail of the brands in the Company's agency

business, we currently represent three apparel brands: Nautica, Jeep Spirit, and Eden Park; and one tea brand: Whittard, for all of which we have established a market reputation. In terms of sales, we will continue to expand new sales sites and online shopping platforms with great potential and increase the adoption of digital tools to provide customers with convenient shopping options. In terms of product design and development, we have developed diverse and popular products more aligned with consumer needs through product design and collaboration with other overseas agents. In the long term, the Company will develop more competitive products and brands through resource integration to gradually expand the business scale.

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.

Regarding the hypermarket business, we have launched online shopping platforms to cope with changes in consumers' shopping habits to enhance the performance of online sales. As for promotional events, we have established an official platform through communication software to increase the frequency of customers visiting the stores and developed an E-business model to work with food delivery platform operators to increase fresh food ingredient delivery services and provide customers with more diverse choices. Meanwhile, we take the advantage of joint procurement to ensure stable growth.

In the construction business, adhering to the principle of "Integrity and Quality First," the Company will maintain appropriate land inventories, and develop office or residential building projects steadily. In addition, the Company will prudently evaluate the opportunities for investment to ensure the success of its diversified business strategy and thus increase profitability.

The Company's 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.

With the solid foundation we have long developed, the efforts of everyone in the Company, and your support and encouragement, we believe it will be a prosperous year full of opportunities.

Chairman:  
Hsu, Sheng-Yu

Manager:  
Hsu, Chih-Chang

Accounting Manager:  
Chang, Hsiu-Yen

2. Audit Committee's review report on the 2022 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 2022. The financial statements were audited by Shu-chiung Chang 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 2022 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

2023 Annual Meeting of Shareholders

Audit Committee Convener: Wang, Tay-Chang

March 14<sup>th</sup>, 2023

3. Report on distribution of the remuneration for employees in 2022, 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 2022 is appropriated as remuneration for employees, totaling NT\$39,715,612 and all paid in cash.

Pursuant to Letter Taiwan-Stock-Listing-I No. 1121801642 dated April 18, 2023, from the TWSE, it also explained the payment of the company's directors and supervisors' remuneration. The company's directors' remuneration was formulated in accordance with the company's articles of association and considering the company's operating performance and industry standards. The company's remuneration committee regularly conducts director performance evaluations every year as a reference for review and improvement, as well as reference for selection or nomination of directors or remuneration. The director's fixed part-time remuneration has fully considered the company's operating objectives, financial situation and director's responsibilities. In addition, the company's articles of association do not stipulate the remuneration of directors, so they will not be distributed. In 2022, the company issued directors' remuneration of NT\$56,651,000, an increase of 28,751,000 yuan from NT\$ 27,900,000. This was due to the retirement of the former chairman of the board, Ms. Yin Wong, Yee-Fan, in 2022, which increased the one-time pension of NT\$ 28,800,000 for directors. The remaining directors' remuneration did not change significantly.

4. Report on changes in the Company's accounting policy on investment property. Please kindly review it.

The Company previously measured investment properties using the cost model, which did not fully recognize their value in the financial statements. In order to provide more appropriate and relevant information in our financial reports, starting from January 1, 2022, we have changed our measurement of investment properties from the cost model to the fair value model, and applied it retrospectively. After changing the accounting policy, the impact on the 2011 financial statements is as follows:

(1) The impact on the consolidated balance sheet as of December 31, 2021:

Investment using the equity method increased by NT\$9.904 billion, investment property increased by NT\$2.662 billion, deferred tax assets decreased by NT\$2 million, deferred tax liabilities increased by NT\$128 million, and shareholder equity increased by NT\$12.436 billion.

(2) The actual impact on the 2021 consolidated statements of comprehensive income:

Investment Property Gains and Losses - fair value adjustment gain increased by NT\$1.342 billion; rental costs decreased by NT\$11 million; investment income using the equity method increased by NT\$418 million; income tax expenses decreased by NT\$1 million; net income for the period increased by NT\$1.772 billion, and comprehensive income for the period increased by NT\$1.772 billion.

Pursuant to Letter Jin-Guan-Zheng-Fa-Zi No. 10901500221 dated March 31, 2021, from the FSC, when a publicly listed company chooses to adopt the fair value model for the first time for subsequent measurement of the investment property recognized, it should provide an amount, equal to the net increase in fair value reclassified to retained earnings, as a special reserve. The Company provided NT\$12.213 billion as a special reserve.

# [Ratifications]

## Agenda 1

Proposed by the Board of Directors

Subject: The 2022 financial statements of the Company is submitted for recognition.

Description:

1. The 2022 business report of the Company (please refer pages 3-5 of this manual) and Financial statements (Please refer to Attachment 1 on page 14-38 of this manual) have been completed.
2. The financial statements for 2022 were audited by Shu-chiung Chang and Pei-ling Tu, accountants of PwC Taiwan, and an audit report with unqualified opinions was issued by them.
3. The financial statements were reviewed by the Audit Committee, with a review report issued thereby.
4. Please kindly approve it.

Decision:

## Agenda 2

Proposed by the Board of Directors

Subject: The Company's distribution of earnings for 2022 is submitted for recognition.

Description:

1. The Company's undistributed earnings in the beginning of the year were NT\$50,818,865,125, 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% for a legal reserve and a special reserve, the distributable earnings for the period was NT\$0; thus, no dividends were distributed for the current period.
2. The Earnings Distribution Plan is attached, please see the following page for reference.
3. Please kindly approve.

Decision:

**Ruentex Industries Ltd.**  
**Earnings Distribution Plan for 2022**

Unit: New Taiwan Dollars

Item	Amount	
1. Undistributed earnings in the beginning of the year		50,818,865,125
Retroactive Adjustment:		
Add: Effects of the change in accounting policy for investment properties		12,212,940,239
Less: Special reserve for accounting policy change of investment properties (Note)		(12,212,940,239)
Retrospectively undistributed profit at start of the year		50,818,865,125
2. Current net profit after taxes		12,168,391,452
Add: Amount of items other than the current net profit after tax, and which is included in the undistributed profit of the year		1,713,488,922
Actuarial gains on defined benefit plans	278,600,317	
Disposal of investments in equity instruments at fair value through other comprehensive income	1,145,981,287	
Changes in the Company's associates accounted for using equity method	288,907,318	
Undistributed profit after adjustment		64,700,745,499
3. Retained 10% legal reserve		(1,388,188,037)
4. Provision of special reserves		(63,312,557,462)
- Current earnings	(12,493,692,337)	
- Undistributed earnings from the prior period	(50,818,865,125)	
5. Distributable earnings for the period		0

Note: Pursuant to Letter Jin-Guan-Zheng-Fa-Zi No. 10901500221 from the FSC, when a publicly listed company chooses to adopt the fair value model for the first time for subsequent measurement of the investment property recognized, it should provide an amount, equal to the net increase in fair value reclassified to retained earnings, as a special reserve. If there is a decrease in the accumulated net fair value of investment properties or disposal of investment properties in the future, the special reserve can be reversed and distributed as earnings based on the decrease amount or the disposal situation.

Chairman: Hsu,  
Sheng-Yu

Manager: Hsu, Chih-  
Chang

Accounting Manager:  
Chang, Hsiu-Yen

# [Discussion]

## Agenda 1

### Proposed by the Board of Directors

Subject: Proposal to distribute cash from the legal reserve, submitted for discussion.

Description:

1. The Company intends to distribute cash from the portion of the legal reserve in excess of 25% of the paid-in capital in the amount of NT\$2,208,637,544, which is NT\$2.00 per share.
2. If the Company subsequently affects the circulation of shares outside the company and the allocation of cash rate among shareholders changes, due to the buy back of shares of the company or the cancellation of treasury shares or other factors, the company shall authorize the board of directors to adjust.
3. Please kindly approve.

Decision:

## Agenda 2

Proposed by the Board of Directors

Cause of action: Amendments to the company's "Rules of Procedure for Shareholders Meetings" are hereby submitted for discussion.

Description:

1. In accordance with the Taiwan Stock Exchange's Letter Tai-Zheng-Zhi-Li-Zi No. 1110004250 dated March 8, 2022, it is proposed to partially amend the "Rules of the Procedure for Shareholders' Meetings". Please refer to Attachment 2 on pages 39 to 45 of this Handbook for the amended provisions.
2. Please kindly approve.

Decision:

[Extempore Motions]

[Adjournment]

[Attachment 1]

Independent Auditors' Report

(2023) Cai-Shen-Bao-Zi No. 22004839

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, 2022 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, 2022 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, 2022 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 and issued by the Financial Supervisory Commission.

### **Basis of Audit Opinions**

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the section of “Responsibilities of the Accountants for the Audit of Consolidated Financial Statements” in our report. We are independent of 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 2022. 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 2022 are as follows:

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

#### Description of Key Audit Matters

As of December 31, 2022, the Group's investments accounted under equity method were NT\$65,409,402 thousand, representing 64.052% of the total consolidated assets. Please refer to Note 4(15) for accounting policies on investments accounted under equity method and Note 6(7) for details.

As the investments using the equity method involved the domestic and overseas investments at multiple levels and cross shareholdings, and as stated in Note 6(7)11 to the consolidated financial statements, regarding the Group's investment in Nan Shan Life Insurance Co., Ltd. using the equity method, the Board of Directors resolved a decision to change the model of managing such financial assets on September 29, 2022, and the date of reclassification was October 1, 2022. The amount of the above matters had a significant impact, and it required a great deal of manpower to audit it, so it was a complicated calculation. Therefore, we believe that the correctness of the investment balance using the equity method is one of this year's key audit matters.

#### 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.

## **Measurement of Investment Property Fair Value**

### Description of Key Audit Matters

The Group's Board of Directors resolved a decision to change the accounting policy on investment property on July 28, 2022, to adopt the fair value model, rather than the cost model, for subsequent measurement, so the accounting policy was applied retrospectively to adjust the affected items.

As the assessment of fair value involves significant accounting estimates and judgments by management, the auditor believes that the fair value assessment of investment properties is the most important matter for audit during the period.

Please refer to Notes 4(19) and (32) to the consolidated financial statements for the accounting policy on investment property; Note 5 for the uncertainties of accounting estimates and assumptions; Note 6(11) for the details of accounting titles; Note 12(4) for the details of fair values.

### Corresponding Audit Procedures

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

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

## **Other Matters - Reference to Audits by Other Accountants**

We did not audit the financial statements of multiple subsidiaries and investments accounted under the equity method that are included in 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, 2022 and 2021, were NT\$5,855,788 thousand and NT\$6,328,229 thousand, respectively, and constituted 5.734% and 3.935% of total consolidated

assets. Their total operating income of NT\$284,638 thousand and NT\$321,149 thousand for the years ended December 31, 2022 and 2021, constituting 9.903% and 1.912% of total consolidated operating income. The aforementioned investments recognized under equity method as of December 31, 2022 and 2021 were NT\$2,670 thousand and NT\$775 thousand, respectively, and constituted 0.003% 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\$(6,105) thousand and NT\$(7,225) thousand for the years ended December 31, 2022 and 2021, respectively, constituting 0.011% and 0.290% of total consolidated comprehensive income.

### **Other Matters- Unconsolidated Financial Report**

We have audited and expressed an unqualified opinion on the parent only financial statements of Ruentex Industries Ltd. as at and for the year ended December 31, 2022 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 and issued by the Financial Supervisory Commission and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

As part of an audit in accordance with the auditing standards in the Republic of China, we exercise professional judgment and 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 2022 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

CPA

Pei-ling Tu

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

Former Securities and Futures Commission, Ministry of  
Finance

Approval Certificate No.:(1995) Tai-Cai-Zheng (6) No.  
13377

March 14, 2023

Ruentex Industries Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2022 and December 31 and January 1, 2021

Unit: NT\$ thousands

Assets	Note	December 31, 2022		(After restatement) December 31, 2021		(After restatement) January 1, 2021		
		Amount	%	Amount	%	Amount	%	
<b>Current Assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 9,549,587	9	\$ 12,670,498	8	\$ 19,164,077	12
1120	Financial Assets at fair value through other comprehensive income acquired - Current	6(5)	-	-	1,303,338	1	-	-
1150	Net bills receivable	6(2)	380	-	280	-	287	-
1160	Bills receivable - related parties - net	6(2) and 7	114	-	-	-	-	-
1170	Net Accounts Receivable	6(2) and 12(3)	205,421	-	186,438	-	171,936	-
1180	Accounts receivable - related parties - net	6(2), 7 and 12(3)	1,159	-	816	-	2,490	-
1200	Other receivables		74,954	-	12,560	-	9,070	-
1210	Other Receivables - related party	7	6,630	-	9,147	-	9,413	-
1220	Current tax assets		-	-	-	-	27,989	-
130X	Inventories	6(3) and 8	533,904	1	749,931	-	2,424,726	1
1410	Prepayments		57,301	-	72,061	-	33,814	-
1470	Other Current Assets		485	-	576	-	474	-
11XX	<b>Total current assets</b>		<u>10,429,935</u>	<u>10</u>	<u>15,005,645</u>	<u>9</u>	<u>21,844,276</u>	<u>13</u>
<b>Non-current assets</b>								
1510	Financial assets at fair value through profit or loss - non-current	6(4)	3,092,072	3	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	7,106,544	7	8,107,838	5	11,190,047	7
1535	Amortized cost financial Assets - non-Current	6(6) and 8	4,951,510	5	874,083	1	888,117	1
1550	Investments accounted for using equity method	6(7), 7 and 8	65,409,402	64	125,989,666	78	123,366,606	75
1600	Property, plant, and equipment	6(8) and 8	1,410,827	2	1,667,279	1	1,703,830	1
1755	Right-of-use assets	6(9)	147,598	-	200,697	-	65,805	-
1760	Net value of investment properties	6(3)(11) and 8	8,557,513	8	4,981,727	3	1,942,690	1
1780	Intangible assets	6(12)(13)	1,385	-	388,325	-	398,817	-
1840	Deferred tax Assets	6(34)	942,164	1	860,983	1	662,917	-
1900	Other non-current Assets	6(14)	70,283	-	65,726	-	67,297	-
15XX	<b>Total non-current assets</b>		<u>91,689,298</u>	<u>90</u>	<u>145,832,250</u>	<u>91</u>	<u>142,620,147</u>	<u>87</u>
1XXX	<b>Total Assets</b>		<u>\$ 102,119,233</u>	<u>100</u>	<u>\$ 160,837,895</u>	<u>100</u>	<u>\$ 164,464,423</u>	<u>100</u>

(Continued)

Ruentex Industries Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2022 and December 31 and January 1, 2021

Unit: NT\$ thousands

	Liabilities and Equity	Note	December 31, 2022		(After restatement) December 31, 2021		(After restatement) January 1, 2021	
			Amount	%	Amount	%	Amount	%
	<b>Current liabilities</b>							
2100	Short-term borrowings	6(15) and 8	\$ 2,290,000	2	\$ 1,100,000	1	\$ 2,287,700	1
2110	Short-term bills payable	6(16) and 8	499,698	1	2,277,271	1	1,069,319	1
2130	Contract liabilities - current	6(26)	24,692	-	24,348	-	22,597	-
2150	Notes payable		99,243	-	13,195	-	13,654	-
2160	Notes payable - related party	7	345	-	88,380	-	50,131	-
2170	Accounts payable		235,336	-	189,613	-	201,279	-
2180	Accounts payable - related party	7	-	-	18,485	-	14,278	-
2200	Other payables	6(17)	297,381	-	283,501	-	274,292	-
2220	Other Payable - Related Party	7	1,268	-	13,800	-	14,696	-
2230	Income tax liabilities of current period		678,314	1	924,895	1	1,354,953	1
2280	Lease liabilities - current	6(9)	52,745	-	52,523	-	28,337	-
2320	Long-term liabilities due within one year or one operating cycle	6(18) and 8	1,975,000	2	1,435,000	1	3,237,500	2
2399	Other current liabilities - other		13,938	-	14,296	-	14,798	-
21XX	<b>Total Current Liabilities</b>		<u>6,167,960</u>	<u>6</u>	<u>6,435,307</u>	<u>4</u>	<u>8,583,534</u>	<u>5</u>
	<b>Non-current liabilities</b>							
2540	Long-term borrowings	6(18) and 8	11,375,000	11	29,447,395	18	26,262,231	16
2570	Deferred income tax liabilities	6(34)	1,457,614	1	1,621,702	1	2,525,443	2
2580	Lease liabilities - non-current	6(9)	96,477	-	149,207	-	38,446	-
2600	Other non-Current liabilities	6(19)	743,674	1	761,514	1	784,296	-
25XX	<b>Total Non-Current Liabilities</b>		<u>13,672,765</u>	<u>13</u>	<u>31,979,818</u>	<u>20</u>	<u>29,610,416</u>	<u>18</u>
2XXX	<b>Total Liabilities</b>		<u>19,840,725</u>	<u>19</u>	<u>38,415,125</u>	<u>24</u>	<u>38,193,950</u>	<u>23</u>
	<b>Equity</b>							
	<b>Equity attributed to owners of the parent</b>							
3110	Share capital	6(22)	11,043,188	11	7,343,188	5	5,648,606	3
3200	Capital surplus	6(23)	28,091,265	27	13,091,165	8	13,053,510	8
	Retained earnings	6(24)						
3310	Legal reserve		4,601,302	5	3,019,067	2	2,245,751	1
3320	Special reserve		13,067,008	13	13,067,008	8	11,295,406	7
3350	Undistributed earnings		64,700,745	63	56,072,695	35	43,847,965	27
3400	Other Equities	6(25)	( 41,349,830)	( 40)	27,372,479	16	40,745,094	25
3500	Treasury stock	6(22)	( 552,479)	( 1)	( 552,479)	-	( 552,479)	-
31XX	<b>Total equity attributable to owners of parent</b>		<u>79,601,199</u>	<u>78</u>	<u>119,413,123</u>	<u>74</u>	<u>116,283,853</u>	<u>71</u>
36XX	<b>Non-controlling Interest</b>	6(35)	<u>2,677,309</u>	<u>3</u>	<u>3,009,647</u>	<u>2</u>	<u>9,986,620</u>	<u>6</u>
3XXX	<b>Total Equity</b>		<u>82,278,508</u>	<u>81</u>	<u>122,422,770</u>	<u>76</u>	<u>126,270,473</u>	<u>77</u>
	Significant contingent liabilities and unrecognized contractual commitments	9						
	Significant subsequent events	11						
3X2X	<b>Total Liabilities and Equity</b>		<u>\$ 102,119,233</u>	<u>100</u>	<u>\$ 160,837,895</u>	<u>100</u>	<u>\$ 164,464,423</u>	<u>100</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 Statements of Comprehensive Income  
For the Years Ended December 31, 2022 and 2021

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

Item	Note	2022		(After restatement) 2021	
		Amount	%	Amount	%
4000 Operation income	6(26) and 7	\$ 2,874,195	100	\$ 2,695,981	100
5000 Operation Cost	6(27)(32)(33) and 7	( 1,893,232)	( 66)	( 1,739,534)	( 64)
5900 Gross profit		980,963	34	956,447	36
Operating Expenses	6(21)(32)(33)				
6100 Selling expenses		( 603,529)	( 21)	( 629,155)	( 23)
6200 General & administrative expenses		( 320,739)	( 11)	( 279,563)	( 11)
6450 Expected credit impairment (losses) gains	12(3)	( 518)	-	1,659	-
6000 Total Operating Expenses		( 924,786)	( 32)	( 907,059)	( 34)
6900 Operating Profit		56,177	2	49,388	2
Non-operating Income and Expenses					
7100 Interest revenue	6(28) and 7	220,461	8	38,036	1
7010 Other income	6(29) and 7	388,470	13	201,794	8
7020 Other gains and losses	6(30)	4,157,882	145	1,293,102	48
7050 Financial Costs	6(31)	( 379,442)	( 13)	( 326,658)	( 12)
7060 Share of income of associates and joint ventures accounted for using the equity method	6(7)	8,650,651	301	16,427,925	609
7000 Total non-operating income and expenses		13,038,022	454	17,634,199	654
7900 <b>Net profit before tax</b>		13,094,199	456	17,683,587	656
7950 Income tax expense	6(34)	( 1,031,044)	( 36)	( 270,742)	( 10)
8200 <b>Net income of current period</b>		\$ 12,063,155	420	\$ 17,412,845	646

(Continued)

Ruentex Industries Ltd. and Subsidiaries  
Consolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2022 and 2021

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

Item	Note	2022		(After restatement) 2021	
		Amount	%	Amount	%
<b>Other comprehensive income (net)</b>					
<b>Items not to be reclassified into profit or loss</b>					
8311					
	6(20)	\$ 8,880	-	\$ 4,556	-
8316	6(5)				
		( 1,458,126)	( 51)	( 1,355,989)	( 50)
8320	6(25)				
		( 96,773)	( 3)	458,914	17
8349	6(34)	55,697	2	199,103	7
8310		( 1,490,322)	( 52)	( 693,416)	( 26)
<b>Items may be reclassified subsequently to profit or loss</b>					
8361		657,680	23	( 491,816)	( 18)
8370	6(25)				
		( 66,932,988)	( 2329)	( 13,974,084)	( 518)
8399	6(34)	529,707	18	241,319	9
8360		( 65,745,601)	( 2288)	( 14,224,581)	( 527)
8300		<u>(\$ 67,235,923)</u>	<u>( 2340)</u>	<u>(\$ 14,917,997)</u>	<u>( 553)</u>
8500		<u>(\$ 55,172,768)</u>	<u>( 1920)</u>	<u>\$ 2,494,848</u>	<u>93</u>
Profit attributable to:					
8610		<u>\$ 12,168,391</u>	<u>424</u>	<u>\$ 17,339,265</u>	<u>643</u>
8620		<u>(\$ 105,236)</u>	<u>( 4)</u>	<u>\$ 73,580</u>	<u>3</u>
Comprehensive Income attributed to:					
8710		<u>(\$ 54,840,430)</u>	<u>( 1908)</u>	<u>\$ 4,217,541</u>	<u>157</u>
8720		<u>(\$ 332,338)</u>	<u>( 12)</u>	<u>(\$ 1,722,693)</u>	<u>( 64)</u>
Earnings per share					
9750	6(36)	<u>\$</u>	<u>15.55</u>	<u>\$</u>	<u>25.05</u>
9850		<u>\$</u>	<u>15.53</u>	<u>\$</u>	<u>25.03</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

Republic Industries Ltd. and Subsidiaries  
Consolidated Statement of Equity  
For the Years Ended December 31, 2022 and 2021

Unit: NTS thousands

	Note	Equity attributed to owners of the parent						Total	Non-controlling Interest	Total Equity	
		Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Other Equities				Treasury stock
<b>2021 (after restatement)</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	\$ 9,986,620	\$ 115,590,398
Adjustments due to retrospective restatement	4(2)	-	200,010	-	10,441,338	-	38,727	-	10,680,075	-	10,680,075
Restatement balance as of January 1, 2021		5,648,606	13,053,510	2,245,751	11,295,206	43,847,965	40,745,094	(552,479)	116,283,853	9,986,620	126,270,473
Net income of current period	6(2)	-	-	-	17,339,265	-	-	-	17,339,265	73,580	17,412,845
Other comprehensive income	6(2)	-	-	-	82,452	-	(13,204,176)	-	(13,121,724)	(1,796,273)	(14,917,997)
Total Comprehensive Income Current Period		-	-	-	17,421,717	-	(13,204,176)	-	4,217,541	(1,722,693)	2,494,848
Earning provision and appropriate for 2020:											
Legal reserve	6(2)	-	-	773,316	-	( 773,316)	-	-	( 1,129,721)	-	( 1,129,721)
Cash dividends		-	-	-	-	( 1,129,721)	-	-	( 1,129,721)	-	( 1,129,721)
Share dividend		1,694,582	-	-	-	( 1,694,582)	-	-	-	-	-
To allocate the adjustment resulting from the change in accounting policy to the special reserve	4(2) and 6(2)	-	-	-	-	( 1,771,602)	-	-	-	-	-
Cash dividends received by subsidiaries from the parent company	6(2)	-	-	-	1,771,602	( 1,771,602)	-	-	-	-	-
Overdue dividends not collected by shareholders	6(2)	-	30,963	-	-	-	-	-	30,963	-	30,963
Changes in associates & joint ventures accounted for using equity method	6(2)	-	4,364	-	-	-	-	-	4,364	-	4,364
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	6(2)	-	2,328	-	-	-	-	-	2,328	-	2,328
Decrease in non-controlling interests	6(3)	-	-	-	-	-	-	-	-	-	-
Balance on December 31, 2021		7,343,188	13,091,165	3,019,067	13,067,008	56,072,695	27,372,479	(552,479)	119,413,123	3,009,647	122,422,770
<b>2022</b>											
Restatement balance as of January 1, 2022		7,343,188	13,091,165	3,019,067	13,067,008	56,072,695	27,372,479	(552,479)	119,413,123	3,009,647	122,422,770
Net income of current period	6(2)	-	-	-	-	12,168,391	-	-	12,168,391	(106,236)	12,062,155
Other comprehensive income	6(2)	-	-	-	278,600	-	(67,287,421)	-	(67,008,821)	227,102	(67,235,923)
Total Comprehensive Income Current Period		-	-	-	12,446,991	-	(67,287,421)	-	(54,840,430)	332,338	(55,172,768)
Appropriation and distribution of the earnings for 2021:											
Legal reserve	6(2)	-	-	1,582,235	-	( 1,582,235)	-	-	-	-	-
Cash dividends	6(2)	-	-	-	-	( 3,671,594)	-	-	( 3,671,594)	-	( 3,671,594)
Cash Capitalization	6(2)	3,700,000	14,800,000	-	-	( 3,671,594)	-	-	18,500,000	-	18,500,000
share-based payment transaction	6(2)	-	62,840	-	-	-	-	-	62,840	-	62,840
Cash dividends received by subsidiaries from the parent company	6(2)	-	100,632	-	-	-	-	-	100,632	-	100,632
Overdue dividends not collected by shareholders	6(2)	-	1,931	-	-	-	-	-	1,931	-	1,931
Changes in associates & joint ventures accounted for using equity method	6(2)	-	34,688	-	-	288,906	( 288,906)	-	34,688	-	34,688
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	6(2)	-	-	-	-	1,145,982	( 1,145,982)	-	-	-	-
Gains after impairment exercised	6(2)	-	9	-	-	-	-	-	9	-	9
Balance on December 31, 2022		11,043,188	28,091,265	4,601,302	13,067,008	64,700,745	41,346,830	(552,479)	79,601,199	2,677,309	82,278,508

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

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chung

Accounting Manager: Chang, Hsiu-Yen

Ruentex Industries Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2022 and 2021

Unit: NTS thousands

	Note	2022	(After restatement) 2021
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 13,094,199	\$ 17,683,587
Adjustments			
Income and expenses			
Depreciation expense	6(32)	101,631	98,797
Amortization	6(32)	3,058	3,264
Expected credit impairment losses (gains on reversal)	6(32)	518	( 1,659 )
Impairment loss	6(13)(31)	415,570	-
Gains on Financial assets at fair value through profit or loss	6(30)	( 243,915 )	( 143,521 )
Interest Cost	6(31)	379,442	326,658
Dividend income	6(26)		
Interest revenue	(29)	( 452,500 )	( 281,027 )
Share of income of associates and joint ventures accounted for using the equity method	6(28)	( 220,461 )	( 38,036 )
Gains on disposals of real estate, plant and equipment	6(7)	( 8,650,651 )	( 16,427,925 )
Write-off of loss on investment properties	6(30)	( 7,278 )	( 18,023 )
Gain on fair value change of investment property	6(30)	-	7
Gain from the price recovery of inventory declines	6(3)(32)	( 3,163,963 )	( 1,341,722 )
Compensation cost of employee stock options	6(21)(33)	110,996	( 201,076 )
Loss (gain) on foreign currency exchange		62,840	-
Changes in assets/liabilities relating to operating activities		( 833,698 )	159,773
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		( 152,231 )	( 267,664 )
Notes receivable		( 114 )	7
Notes Receivable – related party		( 100 )	-
Accounts receivable		( 20,233 )	( 12,750 )
Accounts receivable - related party		613	1,512
Other receivables		( 3,417 )	( 6,936 )
Other receivables - related Party		2,517	266
Inventories		146,265	178,973
Prepayments		15,821	( 38,308 )
Other Current Assets		91	( 102 )
Net defined benefit asset (listed as “non-current assets”)		( 19,281 )	-
Net change in liabilities related to operating activities			
Contract liabilities		333	1,751
Notes payable		86,048	38,249
Notes Payable – related Party		( 88,035 )	( 459 )
Accounts payable		44,931	( 11,492 )
Accounts Payable – related Party		( 18,506 )	4,222
Other payables		21,996	21,824
Other Payable - Related Party		( 12,532 )	( 896 )
Other Current liabilities		( 358 )	( 502 )
Defined benefit liability (listed as “non-current liabilities”)		( 14,872 )	( 6,152 )
Cash inflow (outflow) from operations		362,732	( 279,360 )
Interest received		163,411	42,149
Interest paid		( 381,180 )	( 329,966 )
Income tax paid		( 939,705 )	( 1,362,351 )
Income tax refunded		-	28,083
Cash outflow from operating activities		( 794,742 )	( 1,901,445 )

(Continued)

Ruentex Industries Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2022 and 2021

Unit: NTS thousands

	Note	2022		(After restatement) 2021
<u>Cash flows from investing activities</u>				
Acquisition of financial assets at fair value through other comprehensive income	6(5)	(\$ 104,676)	(\$	10,023)
Disposal of financial assets at fair value through other comprehensive income	6(5)	1,299,428		173,409
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		( 4,168,988)		-
Investment accounted for under the equity method	6(7)	( 100,000)	(	90,800)
Acquisition of property, plant and equipment	6(37)	( 20,049)	(	16,463)
Disposal of real estate properties, plants and equipment	6(37)	4,276		18,099
Investment real estate acquired	6(37)	( 747)	(	759)
Acquisition of intangible assets	6(37)	( 1,733)	(	2,010)
Decrease (increase) in refundable deposits (listed in "other non-current assets")		( 252)		227
Increase in prepayments for business facilities (recognized in "other non-current assets")		-	(	476)
Increase in other non-current assets		( 208)	(	233)
Dividends received		<u>2,790,557</u>		<u>667,794</u>
Net cash inflow (outflow) from investing activities		<u>( 302,392)</u>		<u>866,203</u>
<u>Cash flows from financing activities</u>				
Net increase (decrease) in short-term borrowings	6(38)	1,190,000	(	1,187,700)
Increase in short-term bills payable	6(38)	-		1,210,000
Decrease in short-term bills payable	6(38)	( 1,780,000)		-
Proceeds from long-term borrowings	6(38)	41,132,500		33,220,000
Repayments of long-term borrowings	6(38)	( 58,665,000)	(	31,837,500)
Increase in guarantee deposits received (listed in "other non-current liabilities")	6(38)	101,258		47,929
Decrease in guarantee deposits received (listed in "other non-current liabilities")	6(38)	( 85,379)	(	60,003)
Principal elements of lease payments	6(9)(38)	( 52,103)	(	52,188)
Cash dividends paid	6(24)	( 3,570,962)	(	1,098,758)
Cash Capitalization	6(22)	18,500,000		-
Net changes in non-controlling interest	6(35)	-	(	5,254,280)
Disorgement exercised	6(23)	<u>9</u>		<u>-</u>
Cash used in financing activities		<u>( 3,229,677)</u>	(	<u>5,012,500)</u>
Net effect of changes in foreign currency exchange rates on cash and cash equivalent		<u>1,205,900</u>	(	<u>445,837)</u>
Decrease of cash and cash equivalents current period		( 3,120,911)	(	6,493,579)
Cash and cash equivalents, beginning of period		12,670,498		19,164,077
Cash and cash equivalents, end of period		<u>\$ 9,549,587</u>	\$	<u>12,670,498</u>

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

Independent Auditors' Report  
(2023) Cai-Shen-Bao-Zi No. 22004824

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, 2022 and 2021 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, 2022 and 2021, 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 Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. In view of the audit result concluded by our representatives and the audits concluded by other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Key Audit Matters**

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, 2022. 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, 2022 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\$69,159,337 thousand, representing 69.474% 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).

As the investments using the equity method involved the domestic and overseas investments at multiple levels and cross shareholdings, and as stated in Note 6(7)10 to the unconsolidated financial statements, regarding Ruentex Industries' investment in Nan Shan Life Insurance Co., Ltd. using the equity method, the Board of Directors resolved a decision to change the model of managing such financial assets on September 29, 2022, and the date of reclassification was October 1, 2022. The amount of the above matters had a significant impact, and it required a great deal of manpower to audit it, so it was a complicated calculation. Therefore, we believe that the correctness of the investment balance using the equity method is one of this year's key audit matters.

### 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.

## **Measurement of Investment Property Fair Value**

### Description of Key Audit Matters

Ruentex Industries' Board of Directors resolved a decision to change the accounting policy on investment property on July 28, 2022, to adopt the fair value model, rather than the cost model, for subsequent measurement, so the accounting policy was applied retrospectively to adjust the affected items.

As the assessment of fair value involves significant accounting estimates and judgments by management, the auditor believes that the fair value assessment of investment properties is the most important matter for audit during the period.

Please refer to Notes 4(17) and (29) to the unconsolidated financial statements for the accounting policy on investment property; Note 5 for the uncertainties of accounting estimates and assumptions; Note 6(11) for the details of accounting titles; Note 12(4) for the details of fair values.

### Corresponding Audit Procedures

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

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

### **Other Matters - Reference to Audits by Other Accountants**

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, 2022 and 2021, the investment balances under equity method for the aforementioned companies were NT\$3,281,735 thousand and NT\$3,473,830 thousand, representing 3.297% and 2.199% of the total Assets. For the period of 2022 and January 1 to December 31, 2021 the share of profit of associates under equity method and other comprehensive income of the aforementioned companies were NT\$(300,728) thousand and NT\$(1,749,716) thousand, representing 0.548% and 41.487% 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 in the Republic of China will always detect a material misstatement when it exists. Misstatement may be caused by fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with the auditing standards in the Republic of China, we exercise professional judgment and 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, 2022 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

CPA

Pei-ling Tu

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

Former Securities and Futures Commission, Ministry of  
Finance

Approval Certificate No.:(1995) Tai-Cai-Zheng (6) No.  
13377

March 14, 2023

Ruentex Industries Ltd.  
Unconsolidated Balance Sheets  
December 31, 2022 and December 31 and January 1, 2021

Unit: NT\$ thousands

Assets	Note	December 31, 2022		(After restatement) December 31, 2021		(After restatement) January 1, 2021		
		Amount	%	Amount	%	Amount	%	
<b>Current Assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 6,203,663	6	\$ 9,938,857	6	\$ 6,509,574	4
1120	Financial Assets at fair value through other comprehensive income acquired - Current	6(5)	-	-	1,303,338	1	-	-
1150	Net bills receivable	6(2)	380	-	280	-	287	-
1160	Bills receivable - related parties - net	6(2) and 7	6,229	-	-	-	-	-
1170	Net Accounts Receivable	6(2) and 12(3)	151,932	-	153,848	-	148,287	-
1180	Accounts receivable - related parties - net	6(2), 7 and 12(3)	12,754	-	9,557	-	5,319	-
1200	Other receivables		67,037	-	5,538	-	3,747	-
1210	Other Receivables - related party	7	12,951	-	14,491	-	9,462	-
1220	Current tax assets		-	-	-	-	27,989	-
130X	Inventories	6(3) and 8	384,760	1	604,659	1	2,287,462	2
1410	Prepayments		38,407	-	13,176	-	23,716	-
1470	Other Current Assets		215	-	250	-	204	-
11XX	<b>Total current assets</b>		<u>6,878,328</u>	<u>7</u>	<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	6(4)	3,092,072	3	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	4,594,793	5	4,929,670	3	4,734,425	3
1535	Amortized cost financial Assets - non-Current	6(6) and 8	4,951,510	5	874,083	-	888,117	1
1550	Investments accounted for using equity method	6(7), 7 and 8	69,159,337	69	129,915,354	82	133,470,030	86
1600	Property, plant, and equipment	6(8) and 8	1,042,684	1	1,287,610	1	1,312,408	1
1755	Right-of-use assets	6(9)	303,630	-	364,429	-	252,900	-
1760	Net value of investment properties	6(3)(11) and 8	8,512,113	9	4,933,327	3	1,893,591	1
1780	Intangible assets	6(12)	1,385	-	2,320	-	1,655	-
1840	Deferred tax Assets	6(33)	942,164	1	860,983	1	662,917	-
1900	Other non-current Assets	6(13)(19)	68,952	-	47,364	-	47,699	-
15XX	<b>Total non-current assets</b>		<u>92,668,640</u>	<u>93</u>	<u>145,911,066</u>	<u>92</u>	<u>145,597,763</u>	<u>94</u>
1XXX	<b>Total Assets</b>		<u>\$ 99,546,968</u>	<u>100</u>	<u>\$ 157,955,060</u>	<u>100</u>	<u>\$ 154,613,810</u>	<u>100</u>

(Continued)

Ruentex Industries Ltd.  
Unconsolidated Balance Sheets  
December 31, 2022 and December 31 and January 1, 2021

Unit: NT\$ thousands

	Liabilities and Equity	Note	December 31, 2022		(After restatement) December 31, 2021		(After restatement) January 1, 2021	
			Amount	%	Amount	%	Amount	%
	<b>Current liabilities</b>							
2100	Short-term borrowings	6(14) and 8	\$ 2,290,000	2	\$ 1,100,000	1	\$ 2,287,700	2
2110	Short-term bills payable	6(15) and 8	499,698	1	2,277,271	1	1,069,319	1
2130	Contract liabilities - current	6(25)	23,348	-	24,347	-	23,505	-
2150	Notes payable		98,430	-	11,849	-	12,857	-
2160	Notes payable - related party	7	333	-	88,367	-	50,122	-
2170	Accounts payable		186,449	-	137,382	-	165,958	-
2180	Accounts payable - related party	7						
			21,300	-	72,685	-	38,869	-
2200	Other payables	6(16)	291,401	-	279,194	-	268,327	-
2220	Other Payable - Related Party	7	1,268	-	13,800	-	14,696	-
2230	Income tax liabilities of current period		678,299	1	924,895	1	1,354,934	1
2280	Lease liabilities - current	6(9)	59,734	-	59,497	-	36,243	-
2320	Long-term liabilities due within one year or one operating cycle	6(17) and 8	1,975,000	2	1,435,000	1	3,237,500	2
2399	Other current liabilities - other		10,777	-	11,056	-	11,424	-
21XX	<b>Total Current Liabilities</b>		<u>6,136,037</u>	<u>6</u>	<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	11,375,000	11	29,447,395	19	26,262,231	17
2570	Deferred income tax liabilities	6(33)	1,441,705	2	1,606,257	1	2,509,869	2
2580	Lease liabilities - non-current	6(9)	249,356	-	309,090	-	219,708	-
2600	Other non-Current liabilities	6(18)(19)	743,671	1	743,852	-	766,695	-
25XX	<b>Total Non-Current Liabilities</b>		<u>13,809,732</u>	<u>14</u>	<u>32,106,594</u>	<u>20</u>	<u>29,758,503</u>	<u>19</u>
2XXX	<b>Total Liabilities</b>		<u>19,945,769</u>	<u>20</u>	<u>38,541,937</u>	<u>24</u>	<u>38,329,957</u>	<u>25</u>
	<b>Equity</b>							
3110	Share capital	6(21)	11,043,188	11	7,343,188	5	5,648,606	4
3200	Capital surplus	6(22)	28,091,265	28	13,091,165	9	13,053,510	8
	Retained earnings	6(23)						
			4,601,302	5	3,019,067	2	2,245,751	1
3320	Special reserve		13,067,008	13	13,067,008	8	11,295,406	7
3350	Undistributed earnings		64,700,745	65	56,072,695	35	43,847,965	28
3400	Other Equities	6(24)	( 41,349,830)	( 41)	27,372,479	17	40,745,094	27
3500	Treasury stock	6(21)	( 552,479)	( 1)	( 552,479)	-	( 552,479)	-
3XXX	<b>Total Equity</b>		<u>79,601,199</u>	<u>80</u>	<u>119,413,123</u>	<u>76</u>	<u>116,283,853</u>	<u>75</u>
	Significant contingent liabilities and unrecognized contractual commitments	9						
	Significant subsequent events	11						
3XXZ	<b>Total Liabilities and Equity</b>		<u>\$ 99,546,968</u>	<u>100</u>	<u>\$ 157,955,060</u>	<u>100</u>	<u>\$ 154,613,810</u>	<u>100</u>

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

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: Chang, Hsiu-Yen

**Ruentex Industries Ltd.**  
**Unconsolidated Statements of Comprehensive Income**  
**For the Years Ended December 31, 2022 and 2021**

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

Item	Note	2022		2021	
		Amount	%	Amount	%
4000 Operation income	6(25) and 7	\$ 2,627,178	100	\$ 2,463,993	100
5000 Operation Cost	6(26)(31) and 7	( 1,859,732)	( 71)	( 1,708,313)	( 69)
5900 Gross profit		<u>767,446</u>	<u>29</u>	<u>755,680</u>	<u>31</u>
Operating Expenses	6(20)(31)(32)				
6100 Selling expenses		( 572,219)	( 22)	( 589,351)	( 24)
6200 General & administrative expenses		( 295,580)	( 11)	( 248,303)	( 10)
6450 Expected credit impairment (losses) gains	12(3)	( 518)	-	1,659	-
6000 Total Operating Expenses		<u>( 868,317)</u>	<u>( 33)</u>	<u>( 835,995)</u>	<u>( 34)</u>
6900 Operating Loss		<u>( 100,871)</u>	<u>( 4)</u>	<u>( 80,315)</u>	<u>( 3)</u>
Non-operating Income and Expenses					
7100 Interest revenue	6(27) and 7	201,465	8	23,910	1
7010 Other income	6(28) and 7	396,422	15	205,987	8
7020 Other gains and losses	6(29)	4,576,302	174	1,295,599	53
7050 Financial Costs	6(30)	( 381,415)	( 15)	( 328,733)	( 13)
7070 Share of other comprehensive gains and losses of subsidiaries, affiliates and joint ventures recognized using the Equity method	6(7)	<u>8,506,918</u>	<u>324</u>	<u>16,493,614</u>	<u>669</u>
7000 Total non-operating income and expenses		<u>13,299,692</u>	<u>506</u>	<u>17,690,377</u>	<u>718</u>
7900 <b>Net profit before tax</b>		<u>13,198,821</u>	<u>502</u>	<u>17,610,062</u>	<u>715</u>
7950 Income tax expense	6(33)	( 1,030,430)	( 39)	( 270,797)	( 11)
8200 <b>Net income of current period</b>		<u>\$ 12,168,391</u>	<u>463</u>	<u>\$ 17,339,265</u>	<u>704</u>
<b>Other comprehensive income (net)</b>					
<b>Items not to be reclassified into profit or loss</b>					
8311 Remeasurement of defined benefit plan	6(19)	\$ 6,664	-	\$ 3,467	-
8316 Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(5)	( 438,476)	( 16)	1,740,127	71
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(24)	( 599,980)	( 23)	( 1,084,931)	( 44)
8349 Income tax relating to non-reclassified items	6(33)	<u>55,697</u>	<u>2</u>	<u>199,103</u>	<u>8</u>
8310 Total of items not to be reclassified into profit or loss		<u>( 976,095)</u>	<u>( 37)</u>	<u>857,766</u>	<u>35</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(24)	( 66,562,433)	( 2533)	( 14,220,809)	( 577)
8399 Income tax related to items may be reclassified into profit or loss	6(33)	<u>529,707</u>	<u>20</u>	<u>241,319</u>	<u>9</u>
8360 Total of items may be reclassified subsequently to profit or loss		<u>( 66,032,726)</u>	<u>( 2513)</u>	<u>( 13,979,490)</u>	<u>( 568)</u>
8300 <b>Other comprehensive income (net)</b>		<u>( \$ 67,008,821)</u>	<u>( 2550)</u>	<u>( \$ 13,121,724)</u>	<u>( 533)</u>
8500 <b>Total Comprehensive Income Current Period</b>		<u>( \$ 54,840,430)</u>	<u>( 2087)</u>	<u>\$ 4,217,541</u>	<u>171</u>
Earnings per share	6(34)				
9750 Basic earnings per share		<u>\$ 15.55</u>		<u>\$ 25.05</u>	
9850 Diluted earnings per share		<u>\$ 15.53</u>		<u>\$ 25.03</u>	

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

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: Chang, Hsiu-Yen

Roentex Industries Ltd.  
Unconsolidated Statements of Changes in Equity  
For the Years Ended December 31, 2022 and 2021

Unit: NTS thousands

Note	Share capital	Capital surplus	Legal reserve	Retained earnings	Undistributed earnings	Other Equities	Treasury stock	Total Equity
	\$ 5,648,606	\$ 12,853,500	\$ 2,245,751	\$ 854,068	\$ 43,847,965	\$ 40,706,367	\$ (552,479)	\$ 105,603,778
Balance at January 1, 2021		200,010		10,441,338		38,727		10,680,075
Adjustments due to retrospective restatement of January 1, 2021		13,053,510	2,245,751	11,295,406	43,847,965	40,745,094	(552,479)	116,283,853
Restatement balance as of January 1, 2021	5,648,606			17,339,265				17,339,265
Net income of current period	-	-	-	82,452	-	-	-	82,452
Other comprehensive income	-	-	-	-	17,421,717	(13,204,176)	-	13,121,724
Total Comprehensive Income	-	-	-	-	17,421,717	(13,204,176)	-	4,217,541
6(23)(24)	-	-	-	-	-	-	-	-
Earning provision and appropriate for 2020:								
Legal reserve	-	-	773,316	-	( 773,316 )	-	-	-
Cash dividends	1,694,582	-	-	-	( 1,694,582 )	-	-	-
Share dividend	-	-	-	-	-	-	-	-
4(29) and 6(23)	-	-	-	1,771,602	( 1,771,602 )	-	-	( 1,129,721 )
To allocate the adjustment resulting from the change in accounting policy to the special reserve	-	-	-	-	-	-	-	-
Cash dividends received by subsidiaries from the parent company	-	30,963	-	-	-	-	-	30,963
6(22)	-	-	-	-	-	-	-	-
Overdue dividends not collected by shareholders	-	4,364	-	-	-	-	-	4,364
6(22)(23)(24)	-	-	-	-	-	-	-	-
Changes in associates & joint ventures	-	2,328	-	-	18,843	( 15,048 )	-	6,123
Equity instruments valuation profit or loss accounted for using equity method	-	-	-	-	-	-	-	-
6(23)(24)	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	153,391	( 153,391 )	-	-
Balance on December 31, 2021	<u>\$ 7,343,188</u>	<u>\$ 13,091,165</u>	<u>\$ 3,019,067</u>	<u>\$ 13,067,008</u>	<u>\$ 56,072,695</u>	<u>\$ 27,372,479</u>	<u>\$ (552,479)</u>	<u>\$ 119,413,123</u>
2022								
Restatement balance as of January 1, 2022	\$ 7,343,188	\$ 13,091,165	\$ 3,019,067	\$ 13,067,008	\$ 56,072,695	\$ 27,372,479	\$ (552,479)	\$ 119,413,123
Net income of current period	-	-	-	-	12,168,390	-	-	12,168,390
Other comprehensive income	-	-	-	-	278,600	( 67,287,421 )	-	( 67,008,821 )
6(23)(24)	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	12,446,991	( 67,287,421 )	-	( 54,840,430 )
6(22)	-	-	-	-	-	-	-	-
Appropriation and distribution of the earnings for 2021:								
Legal reserve	-	-	1,582,235	-	( 1,582,235 )	-	-	-
Cash dividends	3,700,000	14,800,000	-	-	( 3,671,594 )	-	-	3,671,594
6(21)	-	-	-	-	-	-	-	-
Cash Capitalization	-	62,840	-	-	-	-	-	62,840
6(20)(22)	-	-	-	-	-	-	-	-
Share-based payment transaction	-	100,632	-	-	-	-	-	100,632
6(22)	-	-	-	-	-	-	-	-
Cash dividends received by subsidiaries from the parent company	-	1,931	-	-	-	-	-	1,931
Overdue dividends not collected by shareholders	-	34,688	-	-	288,906	( 288,906 )	-	34,688
6(22)	-	-	-	-	-	-	-	-
Changes in associates & joint ventures	-	-	-	-	-	-	-	-
6(22)(23)(24)	-	-	-	-	-	-	-	-
Equity instruments valuation profit or loss accounted for using equity method	-	-	-	-	1,145,982	( 1,145,982 )	-	-
6(23)(24)	-	-	-	-	-	-	-	-
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	-	9	-	-	-	-	-	9
Gains after decommission exercised	-	9	-	-	-	-	-	9
6(22)	-	-	-	-	-	-	-	-
Balance on December 31, 2022	<u>\$ 11,043,188</u>	<u>\$ 28,091,265</u>	<u>\$ 4,601,302</u>	<u>\$ 13,067,008</u>	<u>\$ 64,700,745</u>	<u>\$ (41,349,830)</u>	<u>\$ (552,479)</u>	<u>\$ 79,601,199</u>

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

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: Chang, Hsiu-Yen

Ruentex Industries Ltd.  
Unconsolidated Statements of Cash Flows  
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousands

	Note	2022	(After restatement) 2021
<b>Cash flows from operating activities</b>			
Profit before Income Tax current period		\$ 13,198,821	\$ 17,610,062
Adjustments			
Income and expenses			
Depreciation expense	6(31)	97,838	94,411
Amortization	6(31)	2,524	2,319
Expected credit impairment losses (gains on reversal)	6(31)	518	( 1,659 )
Gains on Financial assets at fair value through profit or loss	6(29)	( 243,915 )	( 143,521 )
Interest Cost	6(30)	381,415	328,733
Dividend income	6(28)	( 330,762 )	( 147,506 )
Interest revenue	6(27)	( 201,465 )	( 23,910 )
Share of income of associates and subsidiaries accounted for using the equity method	6(7)		
Gains on disposals of real estate, plant and equipment	6(29)	( 8,506,918 )	( 16,493,614 )
Write-off of loss on investment properties	6(29)	-	7
Gain on fair value change of investment property	6(29)	( 3,166,963 )	( 1,342,421 )
Gain from the price recovery of inventory declines	6(3)(31)	( 111,571 )	( 201,074 )
Compensation cost of employee stock options	6(20)(32)	62,840	-
Net foreign exchange gains		( 835,072 )	( 214,559 )
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		( 152,231 )	( 267,664 )
Notes receivable		( 100 )	7
Notes Receivable – related party		( 6,229 )	-
Accounts receivable		617	( 3,789 )
Accounts receivable - related party		( 3,199 )	( 4,257 )
Other receivables		( 2,762 )	( 5,304 )
Other receivables - related Party		1,540	( 5,029 )
Inventories		150,624	186,988
Prepayments		( 25,231 )	10,540
Other Current Assets		35	( 46 )
Net defined benefit assets		( 19,281 )	-
Net change in liabilities related to operating activities			
Contract liabilities		( 999 )	842
Notes payable		86,581	( 1,008 )
Notes Payable – related Party		( 88,034 )	38,245
Accounts payable		49,067	( 28,576 )
Accounts Payable – related Party		( 51,385 )	33,816
Other payables		20,354	23,411
Other Payable - Related Party		( 12,532 )	( 896 )
Other Current liabilities		( 279 )	( 368 )
Defined benefit liability		( 15,004 )	( 6,231 )
Cash inflow (outflow) from operations		270,339	( 581,131 )
Interest received		146,003	27,423
Interest paid		( 383,154 )	( 332,041 )
Income tax paid		( 939,570 )	( 1,362,242 )
Income tax refunded		-	27,989
Cash outflow from operating activities		( 906,382 )	( 2,220,002 )

(Continued)

Ruentex Industries Ltd.  
Unconsolidated Statements of Cash Flows  
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousands

	Note	2022	(After restatement) 2021
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at fair value through other comprehensive income	6(5)	(\$ 99,689)	(\$ 10,023)
Disposal of financial assets at fair value through other comprehensive income	6(5)	1,299,428	173,409
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		( 4,168,988 )	-
Investment accounted for under the equity method	6(7)	( 100,000 )	( 90,800 )
Return of funds to reduced investment adopting the Equity method	6(7)	-	181,500
Acquisition of property, plant and equipment	6(35)	( 20,001 )	( 16,284 )
Disposal of real estate properties, plants and equipment		4,291	18,099
Investment real estate acquired	6(35)	( 747 )	( 759 )
Acquisition of intangible assets	6(35)	( 1,733 )	( 2,010 )
Increase in refundable deposits (listed in "other non-current assets")		( 131 )	( 59 )
Increase in prepayments for business facilities (recognized in "other non-current assets")		-	( 476 )
Increase in other non-current assets		( 208 )	( 225 )
Dividends received		<u>2,668,819</u>	<u>4,836,590</u>
Net cash inflow (outflow) from investing activities		( 418,959 )	<u>5,216,400</u>
<u>Cash flows from financing activities</u>			
Net increase (decrease) in short-term borrowings	6(36)	1,190,000	( 1,187,700 )
Increase (decrease) in short-term notes and bills payable	6(36)	( 1,780,000 )	1,210,000
Proceeds from long-term borrowings	6(36)	41,132,500	33,220,000
Repayments of long-term borrowings	6(36)	( 58,665,000 )	( 31,837,500 )
Increase in guarantee deposits received (listed in "other non-current liabilities")	6(36)	101,256	47,915
Decrease in guarantee deposits received (listed in "other non-current liabilities")	6(36)	( 85,376 )	( 60,002 )
Principal elements of lease payments	6(9)(36)	( 59,064 )	( 58,607 )
Cash dividends paid	6(23)	( 3,671,594 )	( 1,129,721 )
Cash Capitalization	6(21)	18,500,000	-
Disorgement exercised	6(22)	<u>9</u>	<u>-</u>
Net cash generated from (used in) financing activities		( 3,337,269 )	<u>204,385</u>
Net effect of changes in foreign currency exchange rates on cash and cash equivalent		<u>927,416</u>	<u>228,500</u>
Increase (decrease) in cash and cash equivalents of current period		( 3,735,194 )	3,429,283
Cash and cash equivalents, beginning of period		9,938,857	6,509,574
Cash and cash equivalents, end of period		<u>\$ 6,203,663</u>	<u>\$ 9,938,857</u>

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

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: Chang, Hsiu-Yen

## Ruentex Industries Ltd.

## “Rules of the Procedures for Shareholders’ Meetings” Amendment List

After amendment	Before amendment	Description
<p>4. Attendance and voting at shareholders’ meetings shall be calculated based on the number of shares. At a shareholders’ meeting convened by the Company, any shareholder may choose to exercise voting rights by written or electronic voting.</p> <p>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.</p> <p>The number of shares in attendance of shareholders’ meeting shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>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.</p> <p>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</p>	<p>4. Attendance and voting at shareholders’ meetings shall be calculated based on the number of shares. At a shareholders’ meeting convened by the Company, any shareholder may choose to exercise voting rights by written or electronic voting.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>This article is amended with reference to the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.”</p>

After amendment	Before amendment	Description
<p>voting right.  <u>If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u>  <u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</u></p>		
<p>5. The shareholders' meeting shall be held at the location where the Company is headquartered or a location convenient for the shareholders to attend the meeting and suitable for convening the shareholders' meeting. The start time of the meeting shall be no earlier than 9 a.m. and no later than 3 p.m.  <u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</u>  <u>When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p>	<p>5. The shareholders' meeting shall be held at the location where the Company is headquartered or a location convenient for the shareholders to attend the meeting and suitable for convening the shareholders' meeting. The start time of the meeting shall be no earlier than 9 a.m. and no later than 3 p.m.</p>	<p>This article is amended with reference to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings."</p>

After amendment	Before amendment	Description
<p><u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p>		
<p>8. Audio or video records for the process of a shareholders' meeting shall be made and retained for at least one year.  <u>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u>  <u>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u>  <u>In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>	<p>8. Audio or video records for the process of a shareholders' meeting shall be made and retained for at least one year.</p>	<p>This article is amended with reference to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings."</p>
<p>9. The Chair shall call the meeting to order at the meeting time and disclose information</p>	<p>9. The chair of a shareholders' meeting shall call the meeting to order at the designated start</p>	<p>This article is amended with reference to</p>

After amendment	Before amendment	Description
<p><u>concerning the number of non-voting shares and number of shares represented by shareholders attending the meeting.</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the shareholders present after the second postponement, while still not meeting the quorum, represent at least one third of the total shares issued, a tentative resolution may be adopted in accordance with Paragraph 1, Article 175 of the Company Act.</p> <p>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.</p> <p><u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform</u></p>	<p>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.</p> <p>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.</p>	<p>the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.”</p>

After amendment	Before amendment	Description
<p><u>or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes and such obstacles cannot be resolved, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 3 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>		

After amendment	Before amendment	Description
<p>12. Unless the chair gives consent, no shareholder may deliver his/her statement more than twice on the same proposal, and each statement may not be delivered for more than five minutes.</p> <p>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.</p> <p><u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in the preceding two paragraphs do not apply.</u></p> <p><u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u></p>	<p>12. Unless the chair gives consent, no shareholder may deliver his/her statement more than twice on the same proposal, and each statement may not be delivered for more than five minutes.</p> <p>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.</p>	<p>As the Company has established an Audit Committee, the parts related to the supervisors are deleted and the text is revised.</p>
<p>16. Personnel responsible for monitoring and counting the votes on proposals shall be</p>	<p>16. Personnel responsible for monitoring and counting the votes on proposals shall be</p>	<p>As the Company has established an</p>

After amendment	Before amendment	Description
<p>designated by the chair. Any vote monitor shall be a shareholder. The voting result shall be announced on-site, with a record made in this regard.</p> <p><u>When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p>	<p>designated by the chair. Any vote monitor shall be a shareholder. The voting result shall be announced on-site, with a record made in this regard.</p>	<p>Audit Committee, the parts related to the supervisors are deleted.</p>

## **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 affixed with the signatures or personal seals of the director representing the Company. The shares may be issued only after they are legally certified. The Company may 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.

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

Article 15: 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 out-going 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.

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

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

2. With respect to the cumulative net amount of other deductions from the equity in a preceding period, the Company shall allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period.

Article 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.  
39th amendment was made on June 23, 2022.

## 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.

**Shares Held by the Directors of Ruentex Industries Ltd.**  
Book closure date for the shareholders' annual meeting: April 18, 2023

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	Number of shares recorded in the shareholder register
All directors	3.6221%	40,000,000 shares	74,698,546 shares

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	4.02
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	1.20
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	1.55
Independent Director	Wang, Tay-Chang	July 30, 2021	III.	0	0
Independent Director	Tang, Gia-Khy	July 30, 2021	III.	0	0
Independent Director	Chen, Shou-Jen (Note 1)	June 23, 2022	III.	0	0
Total number of shares held and ratio of shareholding by all directors				74,698,546	6.77

Note 1: The representative of Huei Hong Investment Co., Ltd., Ms. Yin Wong, Yee-Fan was dismissed on January 26, 2022, and Mr. Hsu, Sheng-Yu took over on the same day  
The Company's independent director Mr. Lin, Su-Ming resigned on September 14, 2021. The Company has by-elected independent director Mr. Chen, Shou-Jen on June 23, 2022.

Note 2: The percentage of combined shareholding of all directors is in line with the Rules.

Note 3: The Company has adopted the Audit Committee system, so the legally required percentage of shareholding for supervisors is not applicable.