

Ruentex Industries Ltd.
Parent Company Only Financial Statements and
Independent Auditors' Report
2024 and 2023
(Stock Code: 2915)

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Ruentex Industries Ltd.

2024 and 2023 Parent Company Only Financial Statements and Independent Auditors' Report

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Independent Auditors' Report

(114) Cai-Shen-Bao-Zi No. 24004550

To Ruentex Industries Ltd.:

Audit Opinions

We have audited the accompanying financial statements of Ruentex Industries Co., Ltd. (The Company), which comprise the Parent Company Only balance sheets as of December 31, 2024 and 2023 and the Parent Company Only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the Parent Company Only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Parent Company Only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, 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 Parent Company Only 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 Parent Company Only financial statements of the Company for the year ended December 31, 2024. These matters were addressed in the context of our audit opinion of the Parent Company Only 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 Parent Company Only financial statements for the year ended December 31, 2024 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, 2024 was NT\$91,979,224 thousand, representing 79.797% of total Assets. For the accounting policies of investments accounted for using the equity method, please refer to Note 4(15) to the Parent Company Only financial statements; for the explanation of the accounts, please refer to Note 6(7) to the Parent Company Only financial statements.

As the investments accounted for using the equity method involved the domestic and overseas investments at multiple levels and cross shareholdings. It was a complicated calculation and the amount of the above matters had a significant impact, and it required a great deal of manpower to audit it. 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 investment property of the Company is subsequently measured at fair value. As the assessment of fair value involves significant accounting estimates and judgments by management, we believe that the fair value assessment of investment properties is the most important matter for audit during the period.

Please refer to Notes 4(18) to the Parent Company Only financial statements for the accounting policy on investment property; Note 5 for the uncertainties of accounting estimates and assumptions; Note 6(11) for the explanation of the accounts; and Note 12(3) 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 Parent Company Only financial statements under equity method, its financial statements was not audited by our representatives, but was audited by other independent auditors. Therefore, in our opinion on the aforementioned Parent Company Only financial statements, the amounts listed in the financial statements of these companies are based on the audit reports by other

independent auditors. As of December 31, 2024 and 2023, the investment balances under equity method for the aforementioned companies were NT\$3,673,650 thousand and NT\$2,736,661 thousand, representing 3.187% and 2.398% of the total Assets. For the period of 2024 and January 1 to December 31, 2023, the share of profit of subsidiaries, associates and joint ventures under equity method and other comprehensive income of the aforementioned companies were NT\$891,565 thousand and NT\$(432,374) thousand, representing 9.935% and (2.327%) of the compressive income.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the Parent Company Only 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 Parent Company Only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent Company Only 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 Parent Company Only 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. We have also conducted the following tasks:

1. Identify and assess the risk of material misstatement of the Parent Company Only 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 Parent Company Only 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 Parent Company Only financial statements, including the disclosures, and whether the Parent Company Only 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 Parent Company Only 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 Parent Company Only financial statements for the year ended December 31, 2024 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

Sean Hsu

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

0990042602

Financial Supervisory Commission

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

1050029449

March 12, 2025

Ruentex Industries Ltd.
Parent Company Only Balance Sheets
December 31, 2024 and 2023

Unit: NT\$ thousands

Assets	Notes	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 326,458	-	\$ 4,106,984	4
1150	Notes receivable, net	6(2)	2	-	287	-
1160	Notes receivable - related parties, net	6(2) and 7	49	-	840	-
1170	Net accounts receivable	6(2) and 12(2)	144,489	-	124,039	-
1180	Accounts receivables - related parties, net	6(2), 7 and 12 (2)	8,398	-	7,136	-
1200	Other receivables		6,754	-	24,193	-
1210	Other receivables - related parties	7	12,112	-	12,396	-
130X	Inventories	6(3) and 8	481,829	1	369,875	-
1410	Prepayments	11	126,909	-	17,059	-
1460	Non-current assets held for sale, net	6(13)	113,425	-	-	-
1470	Other current assets		418	-	300	-
11XX	Total current assets		<u>1,220,843</u>	<u>1</u>	<u>4,663,109</u>	<u>4</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(4)	3,373,354	3	3,030,078	3
1517	Financial Assets at FVTOCI - non-current	6(5), 7 and 8	6,956,332	6	4,813,621	4
1535	Financial assets at amortized cost - non-current	6(6) and 8	317,800	-	4,522,468	4
1550	Investments accounted for using the equity method	6(7), 7 and 8	91,979,224	80	85,991,644	75
1600	Property, plant and equipment	6(8) and 8	904,396	1	1,021,664	1
1755	Right-of-use assets	6(9)	188,782	-	248,446	-
1760	Net investment property	6(11) and 8	9,313,230	8	8,749,963	8
1780	Intangible assets	6(12)	995	-	862	-
1840	Deferred income tax assets	6(32)	915,211	1	1,011,821	1
1900	Other non-current assets	6(2)(14) (19)	95,760	-	73,856	-
15XX	Total non-current assets		<u>114,045,084</u>	<u>99</u>	<u>109,464,423</u>	<u>96</u>
1XXX	Total Assets		<u>\$ 115,265,927</u>	<u>100</u>	<u>\$ 114,127,532</u>	<u>100</u>

(continued)

Ruentex Industries Ltd.
Parent Company Only Balance Sheets
December 31, 2024 and 2023

Unit: NT\$ thousands

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(15) and 8	\$ 250,000	-	\$ 350,000	1
2130	Contract liabilities - current	6(24)	41,194	-	34,804	-
2150	Notes payable		91,742	-	96,919	-
2160	Notes payable - related parties	7	431	-	377	-
2170	Accounts payable		192,171	-	195,008	-
2180	Accounts payable - related party	7	9,905	-	9,558	-
2200	Other payables	6(16)	294,381	-	271,768	-
2220	Other payable - related parties	7	569	-	1,541	-
2230	Income tax liabilities of the current period		165,795	-	526	-
2280	Lease liabilities - current	6(9)	48,786	-	59,634	-
2320	Long-term liabilities due within one year or one operating cycle	6(17) and 8	625,000	1	850,000	1
2399	Other current liabilities - other		8,935	-	8,453	-
21XX	Total current liabilities		<u>1,728,909</u>	<u>1</u>	<u>1,878,588</u>	<u>2</u>
Non-current liabilities						
2540	Long-term borrowings	6(17) and 8	8,595,000	8	13,795,000	12
2570	Deferred tax liabilities	6(32)	1,588,602	1	1,416,088	1
2580	Lease liabilities - current	6(9)	145,854	-	194,641	-
2600	Other non-current liabilities	6(18)	860,057	1	789,854	1
25XX	Total non-current liabilities		<u>11,189,513</u>	<u>10</u>	<u>16,195,583</u>	<u>14</u>
2XXX	Total Liabilities		<u>12,918,422</u>	<u>11</u>	<u>18,074,171</u>	<u>16</u>
Equity						
3110	Share capital	6(20)	11,043,188	10	11,043,188	10
3200	Capital surplus	6(21)	28,252,294	24	28,171,512	25
	Retained earnings	6(22)				
3310	Legal reserve		4,518,212	4	3,780,852	3
3320	Special reserve		65,674,032	57	76,379,565	67
3350	Unappropriated earnings		28,177,108	24	7,373,600	6
3400	Other equity	6(23)	(34,764,850)	(30)	(30,142,877)	(26)
3500	Treasury stock	6(20)	(552,479)	-	(552,479)	(1)
3XXX	Total Equity		<u>102,347,505</u>	<u>89</u>	<u>96,053,361</u>	<u>84</u>
	Significant contingent liabilities and	9				

The attached notes to the Parent Company Only financial statement are parts of this Parent Company Only financial report, please refer to them all together.

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

Ruentex Industries Ltd.
Parent Company Only Balance Sheets
December 31, 2024 and 2023

Unit: NT\$ thousands

	unrecognized contractual commitments					
	Significant subsequent events	11				
3X2X	Total liabilities and equity		<u>\$ 115,265,927</u>	<u>100</u>	<u>\$ 114,127,532</u>	<u>100</u>

The attached notes to the Parent Company Only financial statement are parts of this Parent Company Only financial report, please refer to them all together.

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

Ruentex Industries Ltd.
Parent Company Only Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

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

Item	Notes	2024		2023	
		Amount	%	Amount	%
4000 Operating revenue	6(24) and 7	\$ 2,522,093	100	\$ 2,417,600	100
5000 Operating cost	6(25) (29)(30) and 7	(1,715,014)	(68)	(1,640,084)	(68)
5900 Gross profit		<u>807,079</u>	<u>32</u>	<u>777,516</u>	<u>32</u>
Operating expenses	6(29) (30)				
6100 Selling expenses		(577,924)	(23)	(573,908)	(24)
6200 Administrative expenses		(264,365)	(10)	(243,675)	(10)
6450 Expected credit impairment (losses) gains	12(2)	(768)	-	979	-
6000 Total operating expenses		(843,057)	(33)	(816,604)	(34)
6900 Operating Loss		(35,978)	(1)	(39,088)	(2)
Non-operating income and expenses					
7100 Interest revenue	6(26) and 7	17,991	1	477,530	20
7010 Other non-operating income	6(27) and 7	206,431	8	268,518	11
7020 Other gains and losses	6(28)	946,038	38	726,385	30
7050 Financial cost	6(29)	(164,489)	(7)	(291,486)	(12)
7070 Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	6(7)	<u>12,890,255</u>	<u>511</u>	<u>6,445,513</u>	<u>267</u>
7000 Total non-operating income and expenses		<u>13,896,226</u>	<u>551</u>	<u>7,626,460</u>	<u>316</u>
7900 Net profit before tax		<u>13,860,248</u>	<u>550</u>	<u>7,587,372</u>	<u>314</u>
7950 Income tax expense	6(32)	(296,080)	(12)	(87,752)	(4)
8200 Net income of the current period		<u>\$ 13,564,168</u>	<u>538</u>	<u>\$ 7,499,620</u>	<u>310</u>
Other comprehensive income (net)					
Items not to be reclassified into profit or loss					
8311 Remeasurement of defined benefit plan	6(19)	\$ 20,361	1	(\$ 1,289)	-
8316 Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(5)	1,522,350	60	(236,991)	(10)
8330 Share of other comprehensive income of subsidiaries, associates & joint ventures accounted for using equity method - items not to be reclassified into profit or loss	6(23)	824,811	33	(547,246)	(23)
8349 Income tax relating to non-reclassified items	6(32)	(203,816)	(8)	136,320	6
8310 Total of items not to be reclassified into profit or loss		<u>2,163,706</u>	<u>86</u>	<u>(649,206)</u>	<u>(27)</u>
Items that may be reclassified subsequently to profit or loss					
8380 Share of other comprehensive income of subsidiaries, associates & joint ventures accounted for using equity method - items may be	6(23)	(6,817,019)	(270)	11,755,920	487

The attached notes to the Parent Company Only financial statement are parts of this Parent Company Only financial report, please refer to them all together.

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

Ruentex Industries Ltd.
Parent Company Only Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

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

8399	reclassified into profit or loss Income tax related to items may be reclassified	6(32)	<u>63,304</u>	<u>2</u>	(<u>25,781</u>)	(<u>1</u>)
8360	Total of items may be reclassified subsequently to profit or loss		(<u>6,753,715</u>)	(<u>268</u>)	<u>11,730,139</u>	<u>486</u>
8300	Other comprehensive income (net)		(\$ <u>4,590,009</u>)	(<u>182</u>)	\$ <u>11,080,933</u>	<u>459</u>
8500	Total comprehensive income		\$ <u>8,974,159</u>	<u>356</u>	\$ <u>18,580,553</u>	<u>769</u>
	Earnings Per Share (EPS)	6(33)				
9750	Basic earnings per share		\$	<u>13.00</u>	\$	<u>7.19</u>
9850	Diluted earnings per share		\$	<u>12.99</u>	\$	<u>7.18</u>

The attached notes to the Parent Company Only financial statement are parts of this Parent Company Only financial report, please refer to them all together.

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

Ruentex Industries Ltd.
Parent Company Only Statements of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousands

	Notes to the financial statements	Retained earnings						Treasury stock	Total equity
		Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Other equity		
<u>2023</u>									
Balance on January 1, 2023		\$ 11,043,188	\$ 28,091,265	\$ 4,601,302	\$ 13,067,008	\$ 64,700,745	(\$ 41,349,830)	(\$ 552,479)	\$ 79,601,199
Net income of current period	6(22)	-	-	-	-	7,499,620	-	-	7,499,620
Total other comprehensive income of current period	6(22)(23)	-	-	-	-	(126,306)	11,207,239	-	11,080,933
Total comprehensive income of current period		-	-	-	-	7,373,314	11,207,239	-	18,580,553
Appropriation and distribution of the earnings for 2022:	6(22)								
Legal reserve		-	-	1,388,188	-	(1,388,188)	-	-	-
Special reserve		-	-	-	63,312,557	(63,312,557)	-	-	-
Cash dividends		-	-	(2,208,638)	-	-	-	-	(2,208,638)
Cash dividends received by subsidiaries from the parent company	6(21)	-	40,253	-	-	-	-	-	40,253
Overdue dividends not collected by shareholders	6(21)	-	13,612	-	-	-	-	-	13,612
Changes in associates and joint ventures accounted for using the equity method	6(21)(22)(23)	-	26,359	-	-	35	(35)	-	26,359
Disposal of equity investments at fair value through other comprehensive income	6(21)(22)(23)	-	-	-	-	251	(251)	-	-
Gains after disgorgement exercised	6(21)	-	23	-	-	-	-	-	23
Balance on December 31, 2023		\$ 11,043,188	\$ 28,171,512	\$ 3,780,852	\$ 76,379,565	\$ 7,373,600	(\$ 30,142,877)	(\$ 552,479)	\$ 96,053,361
<u>2024</u>									
Balance on January 1, 2024		\$ 11,043,188	\$ 28,171,512	\$ 3,780,852	\$ 76,379,565	\$ 7,373,600	(\$ 30,142,877)	(\$ 552,479)	\$ 96,053,361
Net income of current period	6(22)	-	-	-	-	13,564,168	-	-	13,564,168
Total other comprehensive income of current period	6(22)(23)	-	-	-	-	37,813	(4,627,822)	-	(4,590,009)
Total comprehensive income of current period		-	-	-	-	13,601,981	(4,627,822)	-	8,974,159
Appropriation and distribution of the earnings for 2023:	6(22)								
Legal reserve		-	-	737,360	-	(737,360)	-	-	-
Special reserve		-	-	-	(10,705,533)	10,705,533	-	-	-
Cash dividends		-	-	-	-	(2,760,797)	-	-	(2,760,797)
Cash dividends received by subsidiaries from the parent company	6(21)	-	50,316	-	-	-	-	-	50,316
Overdue dividends not collected by shareholders	6(21)	-	11,057	-	-	-	-	-	11,057
Changes in associates and joint ventures accounted for using the equity method	6(21)(22)(23)	-	19,145	-	-	(5,849)	5,849	-	19,145
Amount not recognized in proportion to the shareholding	6(21)	-	264	-	-	-	-	-	264
Balance as of December 31, 2024		\$ 11,043,188	\$ 28,252,294	\$ 4,518,212	\$ 65,674,032	\$ 28,177,108	(\$ 34,764,850)	(\$ 552,479)	\$ 102,347,505

The attached notes to the Parent Company Only financial statement are parts of this Parent Company Only financial report, please refer to them all together.

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG,
Hsiu-Yen

Ruentex Industries Ltd.
Parent Company Only Statement of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousands

	Notes	2024	2023
<u>Cash flows from operating activities</u>			
Profit before income tax of current period		\$ 13,860,248	\$ 7,587,372
Adjustments			
Income and expenses			
Depreciation expense	6(30)	94,986	95,612
Amortization expenses	6(30)	1,687	2,476
Expected credit impairment losses (gains on reversal)	6(30)	768	(979)
Losses (gains) on financial assets at fair value through profit or loss	6(28)	(312,338)	84,978
Interest expense	6(29)	164,489	291,486
Dividend income	6(27)	(138,262)	(205,577)
Interest revenue	6(26)	(17,991)	(477,530)
Share of income of associates and subsidiaries accounted for using the equity method	6(7)	(12,890,255)	(6,445,513)
Gains on property, plant and equipment	6(28)	(2,348)	(3,953)
Gains on disposal of assets	6(3)(28)	-	(499,146)
Gain on fair value change of investment property	6(28)	(563,267)	(237,850)
Gains on lease modifications	6(28)	-	(24)
Gain from the price recovery of inventory declines	6(3)(30)	(25,098)	(40,158)
Real estate, plant and equipment transferred to expenses	6(34)	-	65
Net foreign exchange gains		(217,152)	(22,196)
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		(30,938)	(22,984)
Notes receivable		285	94
Notes receivable - related parties		791	5,388
Accounts receivable		(19,520)	28,519
Accounts receivables - related parties		(1,262)	5,618
Other receivables		372	(1,836)
Other receivables - related parties		284	555
Inventories		(86,856)	14,957
Prepayments		(109,850)	21,348
Other current assets		(118)	(85)
Net defined benefit assets		(3,123)	(3,635)
Net change in liabilities related to operating activities			
Contract liabilities		6,390	11,456
Notes payable		(5,177)	(1,511)
Notes payable - related parties		54	44
Accounts payable		(2,837)	8,559
Accounts payable - related parties		347	(11,742)
Other payables		33,669	(4,882)
Other payable - related parties		(972)	273
Other current liabilities		482	(2,324)
Cash flow generated from (used in) operations		(262,512)	176,875
Interest received		29,784	524,411
Interest paid		(165,768)	(292,621)
Income tax paid		(3,567)	(770,976)
Income tax refunded		79	19,034
Cash outflow from operating activities		(401,984)	(343,277)

(continued)

Ruentex Industries Ltd.
Parent Company Only Statement of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: NT\$ thousands

	Notes	2024	2023
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at fair value through other comprehensive income	6(5)	(\$ 626,022)	(\$ 464,608)
Distribution of dividends at investment cost through financial assets at fair value through other comprehensive income	6(5)	5,661	7,290
Share capital returned from capital reduction in financial assets at fair value through other comprehensive income	6(5)	-	1,499
Acquisition of financial assets at amortized cost		-	(46,546)
Disposal of financial assets at amortized cost		4,337,060	438,817
Acquisition of investments accounted for using the equity method	6(7)	(115,000)	(127,000)
Share capital returned from capital reduction in investments accounted for using the equity method	6(7)	-	985,880
Acquisition of property, plant and equipment	6(34)	(22,253)	(14,555)
Disposal of real estate properties, plants and equipment	6(34)	6,685	706
Acquisition of investment property	6(34)	-	(149)
Disposal of investment property	6(3)	-	539,232
Acquisition of intangible assets	6(34)	(1,820)	(1,049)
Decrease (increase) in refundable deposits (listed in "other non-current assets")		(670)	149
Increase in prepayments for business facilities (recognized in "other non-current assets")		(5,727)	(2,752)
Increase in other non-current assets		-	(859)
Dividends received		1,234,744	236,871
Net cash inflow from investing activities		<u>4,812,658</u>	<u>1,552,926</u>
<u>Cash flows from financing activities</u>			
Net increase (decrease) in short-term borrowings	6(35)	(100,000)	(1,940,000)
Decrease in short-term bills payable	6(35)	-	(500,000)
Proceeds from long-term borrowings	6(35)	27,240,000	34,290,000
Repayments of long-term borrowings	6(35)	(32,665,000)	(32,995,000)
Increase in guarantee deposits received (listed in "other non-current liabilities")	6(35)	130,918	129,284
Decrease in guarantee deposits received (listed in "other non-current liabilities")	6(35)	(59,750)	(82,044)
Principal elements of lease payments	6(9)(35)	(59,635)	(59,273)
Cash dividends paid	6(22)	(2,760,797)	(2,208,638)
Disgorgement exercised	6(21)	-	23
Cash used in financing activities		<u>(8,274,264)</u>	<u>(3,365,648)</u>
Net effect of changes in foreign currency exchange rates on cash and cash equivalent		83,064	59,320
Decrease of cash and cash equivalents current period		(3,780,526)	(2,096,679)
Cash and cash equivalents, beginning of period		4,106,984	6,203,663
Cash and cash equivalents, end of period		<u>\$ 326,458</u>	<u>\$ 4,106,984</u>

The attached notes to the Parent Company Only financial statement are parts of this Parent Company Only financial report, please refer to them all together.

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

Ruentex Industries Ltd.
Notes to Financial Statements
2024 and 2023

Unit: NT\$ thousands
(Except as Otherwise Indicated)

I. History and Organization

For Ruentex Industries Ltd. (hereinafter referred to as the “Company”), it was originally merged from Huaxin Textile Co., Ltd. and Ruentex Textile Dyeing & Finishing Industry Co., Ltd. to Huaxin Ruentex Co., Ltd. on January 14, 1976, and was renamed Ruentex Textile Co., Ltd. on May 14, 1990, and later renamed Ruentex Industries Ltd. on July 25, 2002. The Company’s stock was approved by the competent authority and was listed on the Taiwan Stock Exchange in July 1977. The main business items of the Company are the textile business, including manufacturing, processing, dyeing and finishing, printing, and marketing of woven fabrics, garments, knitted fabrics, and woven fabric items, and the construction business, including commissioning of construction companies to build public housing projects and office buildings as well as leasing and sales of property. In 1997, it engaged in the operation and management of shopping malls and markets and import for its own hypermarket business.

II. Date and Procedure for Approval of Financial Statements

The Parent Company Only financial statements were authorized for issuance by the Company’s board of directors on March 12, 2025.

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

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

New standards, interpretations and amendments endorsed and issued by FSC effective from 2024 are as follows:

<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
Amendments to IFRS 16, “Lease Liability in a Sale and Leaseback”	January 1, 2024
Amendment to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7, “Supplier finance arrangements”	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and operating result based on the Company's assessment.

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

New standards, interpretations and amendments endorsed by FSC effective from 2025 are as follows:

<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
Amendments to IAS No. 21 "Lack of Convertibility"	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and operating result based on the Company's assessment.

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

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

<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by the International Accounting Standards Board (IASB)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 - "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in of Financial Statements"	January 1, 2027
IFRS 19 "Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Company's financial condition and operating result based on the Company's assessment, except for the following:

1. Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

The amendments are as follows:

- (1) They are to clarify the dates of recognition and derecognition of certain financial assets and liabilities, add that when a financial liability (or part of a financial liability) is settled in cash using an electronic payment system, if and only if an enterprise initiates a payment instruction that results in the following, the enterprise is allowed to have its financial liabilities discharged before the settlement date:
 - A. The enterprise does not have the ability to withdraw, stop, or cancel the payment instruction;
 - B. The enterprise has no actual ability to obtain cash for settlement due to the payment instruction;
 - C. The settlement risk related to the electronic payment system is not significant.
- (2) Clarify and add further guidance on assessing whether a financial asset complies with the SPPI standard only, including Claims and contract-linked instruments.
- (3) For new instruments with contractual terms that can change cash flows (such as certain instruments with characteristics related to the achievement of environmental, social and governance (ESG) targets), the nature of the contingencies, quantitative information on the range of changes in contractual cash flows that may result from the terms of those contracts; and the total carrying amount of the financial assets and the amortized cost of the financial liabilities under the terms of those contracts should be disclosed qualitatively.
- (4) It is updated that the fair values of equity instruments designated as at fair value through other comprehensive income through an irrevocable election should be disclosed on a per-category basis without a need to disclose the fair value per instrument. In addition, the amount of fair value gain or loss recognized in other comprehensive income during the reporting period should be disclosed and separately presented in the amount of fair value gain or loss related to the investments that were derecognized during the reporting period, the amount of fair value gain and loss related to the investments still held at the end of the reporting period; and cumulative gains and losses from investments derecognized during the reporting period and transferred to equity during the reporting period.

2. IFRS 17 "Insurance Contracts"

The potential impact of IFRS 17 "Insurance Contracts" and its amendments on investments

using the equity method is currently under assessment, and it is temporarily unable to reasonably estimate the impact on the The Company. The relevant amount impacted will be disclosed when the assessment is completed.

3. IFRS 18 "Presentation and Disclosure in of Financial Statements"

IFRS 18 "Presentation and Disclosure in of Financial Statements" replaces IAS 1, updates the structure of statements of comprehensive income, adds the disclosure of management performance measures, and improves the principles for aggregation and disaggregation used in the main financial statements and notes.

IV. Summary of Significant Accounting Policies

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

(I) Compliance statement

The Parent Company Only financial statements were prepared in accordance with the 'Regulations Governing the Preparation of Financial Reports by Securities Issuers'.

(II) Basis of preparation

1. Except for the following items, these Parent Company Only financial statements have been prepared under the historical cost convention:

- (1) Financial assets (including derivative instruments) at fair value through profit or loss.
- (2) Financial assets at fair value through other comprehensive income.
- (3) Investment property subsequently measured at fair value
- (4) Defined benefit assets liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

2. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving

a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Parent Company Only financial statements are disclosed in Note 5.

(III) Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional

currency”). The Parent Company Only financial statements are presented in “NT dollars”, which is the Company’s functional currency.

1. Foreign currency translation and balances

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

2. Translation of foreign operations

- (1) The operating results and financial position of all the company entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - A. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - B. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - C. All resulting exchange differences are recognized in other comprehensive income.
- (2) When the foreign operation partially disposed of or sold is an associate cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred into part of the gain or loss on the sale or disposal thereof. When the Company still retains partial interest in the former associate or joint arrangements after losing significant influence over the former foreign associate, such

transactions should be accounted for as disposal of all interest in those foreign operations.

- (3) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(IV) Classification of Current and non-Current items

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

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

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

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

- (1) Liabilities that are expected to be settled within the normal operating cycle;
- (2) Assets held mainly for trading purposes;
- (3) Liabilities that are to be settled within 12 months from the balance sheet date;
- (4) No right to defer settlement of a liability for at least twelve months after the reporting period.

Liabilities that do not meet the above criteria are classified as non-Current liabilities.

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

(V) Cash equivalents

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

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

1. Financial assets not included as financial assets measured at amortized costs or at fair value

through other comprehensive income.

2. On regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
3. Financial assets at fair value through profit or loss are initially recognized at fair value. Associated transaction costs are accounted in profit or loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognized in profit or loss.
4. When the right for dividend receipts is confirmed, the economic benefit related to the dividend may be received as income, and when the dividend amount can be reliably measured, the Company then recognizes it as dividend income.

(VII) Financial assets at fair value through other comprehensive income

1. It refers to an irrevocable choice made during the initial recognition, and the fair value change of the equity tool investment not held for trading is listed in the other comprehensive income.
2. On a regular way purchase or sale basis, financial assets at fair value through comprehensive income are recognized and derecognized using settlement date accounting.
3. The Company initially recognized the financial Assets at fair value through profit or loss are initially recognized at fair value, and subsequently, they were measured and stated at fair value:

The fair value change of equity tool is recognized under the other comprehensive income, and during the derecognition, the cumulative profit or loss previously recognized under the other comprehensive income should not be re-categorized into income, but should be listed under the retained earnings. When the right for dividend receipts is confirmed, the economic benefit related to the dividend may be received as income, and when the dividend amount can be reliably measured, the Company then recognizes it as dividend income.

(VIII) Financial assets at amortized cost

1. Refer to financial Assets satisfying the following criteria at the same time:
 - (1) Financial Assets held under the operating model for the purpose of receiving contractual cash flows.
 - (2) Where contract terms of such financial assets generated cash flow of specific date, and it is completely for the payment of the interest of principle and external circulating principle amount.
2. On a regular way purchase or sale basis, the Company recognizes or derecognizes financial assets at amortized cost by using settlement date accounting.
3. During the initial recognition the Company calculated the transaction cost measurement at fair value, and subsequently adopted the effective interest rate method to recognize the

interest income according to the amortization procedure during the circulation period, and to recognize the impairment loss. In addition, during the derecognition, the gain or loss was recognized in the income or loss.

4. The Company holds time deposits that do not meet the definition of cash equivalents. With the short-term nature, the effect of discounting is not significant, so they are measured as investment.

(IX) Notes and accounts receivable

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

(X) Impairment of financial assets

The Company assesses the financial Assets at amortized cost at each balance sheet date, and after considering all reasonable and evidentiary information (including prospective information), measure the loss allowance according to the 12-month expected credit loss for the financial Assets without significant increase of credit risk after the initial recognition. For the financial Assets with credit risk already increased significantly after the initial recognition, loss allowance is measured according to the expected credit loss amount during the existence period. For the accounts receivable or contract Assets without material financial composition, the loss allowance is measured according to the expected credit loss during the existence period.

(XI) Derecognition of financial assets

The Company derecognizes a financial asset when one of the following conditions is met:

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

(XII) Lease transactions of lessor - operating lease

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

(XIII) Inventories

1. Inventory of Construction Business Department

The acquisition cost is used as the basis for account entry, and relevant interest during the construction period (at the construction site) is capitalized. The inventory at the end of the period is determined based on the cost and net realizable value, whichever is lower. Comparing the cost and the net realizable value to see which is lower, the item-by-item comparison approach is adopted. The net realizable value refers to the balance of the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

2. Inventory of Textile and Wholesale Business Departments

The acquisition cost is used as the basis for account entry. The inventory is measured based on the cost and net realizable value, whichever is lower, and determined using the weighted average approach. The cost of finished goods and work-in-progress includes raw materials, direct labor, other direct costs, and production-related manufacturing expenses but does not include borrowing costs. Comparing the cost and the net realizable value to see which is lower, the item-by-item comparison approach is adopted. The net realizable value refers to the balance of the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(XIV) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair

value less costs to sell.

(XV) Investments accounted for using equity method / subsidiaries, associates and joint ventures

1. Subsidiaries are all entities (including structural entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
2. Unrealized profit (loss) occurred from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
3. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in

profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.

4. Changes in the Company's ownership interest in a subsidiary that do not result in the Company's losing control (and non-controlling equity transaction) of the subsidiary are equity transactions, and it is also considered as a transaction between owners. The Company recognizes directly in equity any difference between the adjusted amount of non-controlling equity and the fair value of the consideration paid or received.
5. When the Company loses its control on a subsidiary, the remaining investment on the former subsidiary is remeasured at fair value and is used as the fair value for the initial recognition of financial Assets or the cost for initial recognition of investment in an associate. The difference between the fair value and the carrying amount is recognized as the profit or loss of the Current period. For all of the amounts related to the subsidiary previously recognized in other comprehensive income, if its accounting handling basis is identical to the disposal of relevant Assets or liabilities directly, i.e. such as the profit or loss recognized in the other comprehensive income it is re-classified as profit or loss during the disposal of relevant Assets or liabilities, then when the Company loses its control on the subsidiary, such profit or loss shall be re-classified as profit or loss from equity.
6. An associate is an entity over which the Company has significant influence but without control power, and it generally refers to an entity that the Company directly or indirectly holds more than 20% of shares of voting rights. The Company uses the equity method to account for its investments in associates, and costs are recognized during the acquisition thereof.
7. The Company's share of its associate' post-acquisition profits or losses are recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income.
Among them, for "other comprehensive income recognized by share - reclassification using overlay approach", the overlay approach may only be designated for financial assets that meet the criteria below:
 - (1) The financial asset at fair value through profit or loss under IFRS 9, but if the International Accounting Standards 39 (IAS 39) (Financial Instruments: Recognition and Measurement) applies, it will not be measured at fair value through profit or loss as a whole; and
 - (2) The financial asset is not held for an activity not connected to a contract within the scope of IFRS 4.

Investees using the equity method may (but are not required to) apply the overlay

approach to a designated financial asset. The overlay approach is accounting treatment of a reclassified amount between profit or loss and other comprehensive income; such that the gain or loss on the designated financial asset at the end of the reporting period is the same as that on the designated financial asset with IAS 39 applied. Accordingly, the reclassified amount is the difference between:

- (1) The amount recognized in profit or loss when IFRS 9 applies to the designated financial asset; and
- (2) The amount recognized in profit or loss if IAS 39 applies to the designated financial asset.

When the Company's share of losses of an associate equal or exceeds its interest in that associate (which includes any other unsecured accounts receivable), the Company discontinues recognizing its share of further losses; unless that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

8. When an associate is subject to equity change not for profit or loss or other comprehensive income and when the shareholding percentage on the associate is not affected, the Company then recognizes the equity change under the share of the associate for the Company as the "capital reserve" according to the shareholding percentage.
9. The unrealized profit or loss generated from the transactions between the Company and an associate has been eliminated according to the equity ratio of the associate. Unless there is evidence indicating that the asset transferred in such transaction has impairment, the unrealized loss is also eliminated. The accounting policies of the associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
10. When an associate issues new shares, if the Company does not subscribe or acquire according to such ratio such that there is a change in the investment ratio and still causing significant impact, then "capital reserve" and "investment accounted for using equity method" are adjusted for the increase/decrease of the change of net value of the equity. If it causes the investment ratio to decrease, in addition to the aforementioned adjustment, for the profit or loss related to the decrease of the ownership equity and previously recognized in the other comprehensive income, and such profit or loss requires to be reclassified into profit or loss during the disposal of relevant Assets or liabilities, it is reclassified into profit or loss according to the ratio of decrease.
11. When the Company loses its significant influence on an associate, the remaining investment on the former associate is remeasured at fair value, and the difference between the fair value and the carrying amount is recognized as the profit or loss of the Current period.
12. When the Company disposes an associate, if the Company loses its significant influence on the associate, then for all of the amounts related to the associate previously

recognized in other comprehensive income, if its accounting handling basis is identical to the disposal of relevant Assets or liabilities directly, i.e. such as the profit or loss recognized in the other comprehensive income, it is re-classified as profit or loss during the disposal of relevant Assets or liabilities, then when the Company loses its significant influence on the associate, such profit or loss shall be re-classified as profit or loss from equity. If the Company still has significant influence on the associate, then the amount previously recognized in the other comprehensive income is transferred out proportionally according to the aforementioned method.

13. When the Company disposes an associate, if it loses its significant influence on the associate, the capital reserve related to the associate is recognized as profit or loss. If it shall have significant influence on the associate, then it is recognized as profit or loss according to the disposal ratio.
14. Pursuant to the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, profit (loss) of the Current period and other comprehensive income in the Parent Company Only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners’ equity in the Parent Company Only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statement.

(XVI) Property, plant and equipment

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

Buildings and structures	7 years	~ 50 years
Machinery and equipment	3 years	~ 7 years
Transportation equipment		5 years
Leased assets	3 years	~ 7 years
Leasehold Improvements	1 year	~ 10 years
Other equipment	1 year	~ 15 years

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

1. The lease assets are recognized as the right-of-use assets and lease liabilities on the date availed to the Company. If the lease contracts are short-term lease or low-value underlying asset lease, the lease payments are recognized as expenses during the lease terms with the straight line method.
2. From the starting date of lease, the lease liabilities are recognized at the current values of the unpaid lease payments discounted with the Company's incremental lending rate; the lease payments include the fixed payments deducting the receivable lease incentives, and the variable lease payments depending on certain index or rate. Subsequently, they are measured at the amortized costs based on the interest method, and recognized as the interest expenses during the lease terms. Shall the lease terms or lease payments change due to the non-contractual modifications, the lease liabilities will be measured again, and the re-measurements will be used to adjust the right-of-use assets.

The right-of-use assets are recognized as the costs on the starting date of leases. The costs include the original measured amount of the lease liabilities, and the lease payment on or before the starting date, if any. Subsequently, they are measured at the costs; the depreciation expenses are recognized at the end of useful lives, or the expiry of the lease terms, whichever is earlier. Shall the lease liabilities be reassessed, the right-of-use assets will adjust any re-measurement of the lease liabilities.

4. For lease modifications that reduce the scope of a lease, the lessee will reduce the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognize the difference between the reduced carrying amount and the remeasurements of the lease liabilities in the profit or loss.

(XVIII) Investment property

An investment real estate is stated initially at its cost and measured subsequently using the fair value model. The gains or losses resulting from changes in the fair value of investment properties recognized for the current period.

(XIX) Intangible assets

Computer software is stated at acquisition cost and amortized on a straight-line basis with useful lives of 1~10 years.

(XX) Impairment of non-financial Assets

The Company assesses at each balance sheet date the recoverable amounts of those Assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should be not more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(XXI) Loans

Refer to long-term, short-term borrowings from banks and other long-term, short-term loans. During the initial recognition, the Company measures according to the fair value with deduction of transaction cost. Subsequently, for any difference between the amount after the deduction of transaction cost and the redemption value, the effective interest method is adopted to recognize the interest expense in the profit or loss according to amortized procedure during the circulation period.

(XXII) Notes and accounts payable

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

(XXIII) Derecognition of financial liabilities

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

(XXIV) Employee benefits

1. Short-term employee benefits

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

2. Pensions

(1) Defined contribution plans

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

(2) Defined benefit plans

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

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

C. Past service costs are recognized immediately in profit or loss.

3. Termination benefits

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

4. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. In addition, if employee remuneration is paid in stock, the basis for counting the number of shares to be paid out is to measure the fair

value by means of valuation techniques specified in IFRS 2 Share-based Payment.

(XXV) Employee share-based payment

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

(XXVI) Income tax

1. The income tax expense for the period comprises Current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. The management assesses the status of income tax declaration according to relevant applicable income tax laws, and shall pay the income tax liability estimated to the taxation agency according to the expectation under applicable status. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings in a shareholders' meeting of the following year.
3. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of Assets and liabilities and their carrying amounts in the parent only balance sheet. The deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not generate equivalent taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates or laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax

liability is settled.

4. Deferred income tax Assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax Assets are reassessed.
5. Current income tax Assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax Assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset Current tax Assets against Current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
6. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from investments and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(XXVII) Capital

1. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
2. When the Company buys back the shares issued, the consideration paid, including any directly attributable increased costs, is recognized as a deduction, net of tax, from shareholders' equity. When the shares bought back are reissued subsequently, the difference between the consideration received less any directly attributable incremental costs and the effect of income tax. The carrying amount is recognized as an adjustment to shareholders' equity.

(XXVIII) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities.

(XXIX) Income

Sales of goods

1. The Company manufactures and sells textile-related products and engages in the hypermarket business. The income from sale of goods is recognized when the control

of goods is transferred to customers, i.e. when the goods are delivered to customer. In addition, the Company has no unfulfilled obligations that may affect customer from accepting the goods. When goods are transported to the designated location, the obsolete and impairment risks have been transferred to the customer, and customer also accepts goods according to the sales contract, or when there is objective evidence proofing that all acceptable standards have been satisfied, which occurs when the goods is delivered to the customer.

2. Accounts receivable is recognized when goods are delivered to customers since starting from such time of delivery, the Company has the unconditional right on the contract price, and the Company can receive the consideration from the customer after time has passed.

3. Financial component

Since the period from the time when contracts are signed between the Company and customers, the goods or services are promised to be transferred to customers to the time when the payments are made by customers have not exceeded one year, consequently, the Company has not adjusted the transaction price to reflect the currency time value.

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

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

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

None.

(2) Critical accounting estimates and assumptions

Measurement of investment property fair value

As investment property is subsequently measured at fair value, and the investment property held by the Company is mainly land and buildings, an expert should be appointed to determine the fair value of investment property on the balance sheet date with their professional judgment and appraisal. The Company will adjust the cost to the fair value based on the appraisal report issued by the expert. The valuation of these investment properties is primarily based on expert reports and estimates, which may be subject to changes in the demand for products, the real estate market conditions, and the judgment and estimation of

experts during a specific future period. Therefore, the fair value measurement of these properties may be affected. Please refer to Note 12(3) for the details of fair value of investment property.

2. Fair value measurement of financial assets not quoted in an active market

The fair value of financial assets held by the Company that are not quoted in an active market is primarily estimated based on the investment objective's profit forecast, industry outlook, the conditions of the capital market in which the investment objective is operated, and other economic indicators. Any change of determination and estimation can affect the measurement at fair value. Please refer to Note 12(3) for the details of fair value of financial assets.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and revolving funds	\$ 4,081	\$ 5,369
Checking deposits	29,482	922,044
Demand deposits	127,954	1,849,695
Cash equivalents - Bonds under repurchase agreements	<u>164,941</u>	<u>1,329,876</u>
	<u>\$ 326,458</u>	<u>\$ 4,106,984</u>

1. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

2. The Company has no cash and cash equivalents pledged to others.

(II) Notes and accounts receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable	\$ 2	\$ 287
Notes receivable - related parties	<u>49</u>	<u>840</u>
	<u>\$ 51</u>	<u>\$ 1,127</u>
Accounts receivable	\$ 145,366	\$ 124,148
Less: Allowance for loss	<u>(877)</u>	<u>(109)</u>
	144,489	124,039
Accounts receivables - related parties	<u>8,398</u>	<u>7,136</u>
	<u>\$ 152,887</u>	<u>\$ 131,175</u>
Overdue receivable	\$ 4,088	\$ 4,088

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Less: Allowance for loss	(4,088)	(4,088)
Overdue receivable, net (listed as "other non-current assets")	<u>\$ -</u>	<u>\$ -</u>

1. The aging analysis of notes receivable (including related parties) and accounts receivable (including related parties) is as follows:

	<u>December 31, 2024</u>			<u>December 31, 2023</u>		
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Overdue receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Overdue receivable</u>
Not overdue	\$ 51	\$ 136,732	\$ -	\$ 1,127	\$ 127,330	\$ -
Overdue						
1-90 days	-	16,739	-	-	3,868	-
91-365 days	-	293	-	-	86	-
Over 365 days	-	-	4,088	-	-	4,088
	<u>\$ 51</u>	<u>\$ 153,764</u>	<u>\$ 4,088</u>	<u>\$ 1,127</u>	<u>\$ 131,284</u>	<u>\$ 4,088</u>

The aging analysis was based on past due date.

2. The balance of notes and accounts receivable as of December 31, 2024 and 2023 was all generated from customer contracts. In addition, the balance of receivables from customer contracts as of January 1, 2023 was NT\$171,295.
3. The Company's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, were NT\$51 and NT\$1,127 for notes receivable, as of December 31, 2024 and 2023, respectively; the accounts receivable were NT\$152,887 and NT\$131,175 as of December 31, 2024 and 2023, respectively.
4. The Company does not hold any collateral as security.
5. For credit risk information related to accounts receivable and notes receivable, please refer to Note 12(2).

(III) Inventories

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Textile Business Department:		
Raw materials	\$ 32,086	\$ 20,345
Supplies	153	214
Finished goods	54,712	46,188
Merchandise inventory	227,150	240,000
Less: Allowance for valuation losses	(104,461)	(129,378)
Subtotal	<u>209,640</u>	<u>177,369</u>

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Wholesale Business Department:		
Work in process	1,234	1,175
Merchandise inventory	81,735	89,720
Less: Allowance for valuation losses	(623)	(804)
Subtotal	<u>82,346</u>	<u>90,091</u>
Construction Business Department:		
Construction land	221,624	134,196
Less: Allowance for valuation losses	(31,781)	(31,781)
Subtotal	<u>189,843</u>	<u>102,415</u>
Total	<u>\$ 481,829</u>	<u>\$ 369,875</u>

1. The cost of inventories recognized as expense for the Current period is as follows:

	<u>2024</u>	<u>2023</u>
Cost of inventories sold	\$ 1,733,270	\$ 1,675,390
loss on physical inventory	2,155	1,305
Gain on declining price recovery	(25,098)	(40,158)
Loss on inventory scrap	4,687	3,547
	<u>\$ 1,715,014</u>	<u>\$ 1,640,084</u>
Gain on disposal (listed as Other gains and losses)		
Price	\$ -	\$ 539,232
Cost	-	(40,086)
	<u>\$ -</u>	<u>\$ 499,146</u>

2. In 2024 and 2023, the Company sold inventories that had been recognized in valuation loss in prior years, resulting in a recovery in the net realizable value of the inventories, which is recognized as a decrease in sales cost.

3. For the collateral status for the inventory of the aforementioned Construction Business Department, please refer to Note 8.

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

<u>Item</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non-current items:		
Financial assets at fair value through profit or loss (mandatory)		
Foreign investments		
Privately offered fund	\$ 2,439,071	\$ 2,408,133
Adjustments for valuation	934,283	621,945
Total	<u>\$ 3,373,354</u>	<u>\$ 3,030,078</u>

1. The amount of financial assets at fair value through profit and loss recognized in profit or

loss in 2024 and 2023 was a profit of NT\$312,338 and a loss of NT\$84,978, respectively.

2. The amount of dividend income recognized in profit or loss for financial assets at fair value through profit and loss in 2024 and 2023 was NT\$23,500 and NT\$12,656, respectively.
3. The Company did not pledge financial assets at fair value through profit or loss as collateral.
4. For information on the fair value of financial assets at fair value through profit and loss, please refer to Note 12 (3).

(V) Financial assets at fair value through other comprehensive income

<u>Item</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non-current items:		
Equity Instrument		
Domestic investment		
Shares of TWSE/TPEX listed companies	\$ 3,910,803	\$ 3,521,383
Shares of the TPEX-listed companies	240,000	9,059
Unlisted stocks	50,411	50,411
Subtotal	<u>4,201,214</u>	<u>3,580,853</u>
Adjustments for valuation		
Shares of TWSE/TPEX listed companies	2,751,687	1,137,591
Shares of the TPEX-listed companies	(41,800)	44,431
Unlisted stocks	45,231	50,746
Subtotal	<u>2,755,118</u>	<u>1,232,768</u>
Total	<u>\$ 6,956,332</u>	<u>\$ 4,813,621</u>

1. The Company elected to classify the strategic investments in equity instruments as financial assets at fair value through other comprehensive income, amounting to NT\$6,956,332 and NT\$4,813,621 as of December 31, 2024 and 2023, respectively.
2. In November 2024, the Company subscribed for 3,500 thousand shares of OBI Pharma, Inc., a TPEX-listed company, in its cash capital increase in the amount of NT\$224,000.
3. In order to revitalize fund utilization of investors and to improve the ROE, Pacific Resources Corporation's, an unlisted company held by the Company, approved to reduce its capital in May 2023 by 95% of the par value of NT\$10 per share at the shareholders' meeting held in May 2023. The capital returned to the Company for the capital reduction amounted to NT\$1,499, of which NT\$1,248 was regarded as a reduction in the initial cost of the holding and valuation loss. After the capital reduction, the Company's shareholding percentage remained at 1.05%.
4. The equity instruments of Ruentex Interior Design Inc. (Ruentex Interior Design), a nonpublic company, held by the Company:

- (1) Ruentex Interior Design was approved at shareholders' meetings held on May 27, 2024 and May 24, 2023 to distribute cash dividends from original capital surplus contributed by shareholders. The Company received cash dividends of NT\$51 and NT\$183 on July 22, 2024 and July 18, 2023, which were regarded as a reduction of the Company's original cost of the holding.
 - (2) On March 26, 2024, the Board of Directors of Ruentex Interior Design resolved to increase its capital by cash in order to support the public underwriting before its initial listing on the TPEX. The Company did not subscribe for the shares in accordance with its original shareholding ratio, resulting in a decrease in its shareholding ratio from 2.47% to 2.23%.
 - (3) On May 21, 2024, Ruentex Interior Design was listed on the TPEX. Therefore, the Company reclassified the stock from in emerging stock market to TPEX stock. The adjustments to cost and valuation gain were NT\$9,059 and NT\$44,431, respectively.
5. In April 2024 and 2023, the Company participated in the capital increase by cash of the listed company, Tanvex BioPharma, Inc., and subscribed for 2,267 thousand and 3,500 thousand shares in an amount of NT\$108,818 and
- NT\$262,500, respectively.
6. In March 2024, the Company subscribed for 649 thousand shares of TaiMed Biologics Inc., a TPEX-listed company, in its cash capital increase in the amount of NT\$53,204.
7. The equity instruments of Sunny Friend Environmental Technology Co., Ltd. (Sunny Friend), a listed company, held by the Company:
- (1) In July 2023, the Company participated in the capital increase by cash of the Sunny Friend, and subscribed for 1,685 thousand shares in an amount of NT\$202,108.
 - (2) Sunny Friend was approved at shareholder shareholders' meetings held on May 24, 2024 to distribute cash dividends from original capital surplus contributed by shareholders. The Company received cash dividends of NT\$3,995 on July 6, 2024, which were regarded as a reduction of the Company's original cost of the holding.
8. In June 2024, the Company subscribed for 4,000 thousand shares of AP BIOSCIENCES INC, a company listed in emerging stock market, in its cash capital increase in the amount of NT\$240,000.
9. Ruentex Materials Co., Ltd., a listed company held by the Company, was approved by the shareholders' meeting on May 22, 2023 to distribute cash of \$1,642 from the original capital surplus contributed to by shareholders. This was regarded as a reduction of the Company's original cost of the holding.
10. Ruentex Engineering & Construction Co., Ltd., a listed company held by the Company,

increased capital from surplus. The Company received 6,729 thousand shares of stock dividends based on the shareholding ratio in Ruentex Engineering & Construction.

11. Brogent Technologies Inc., a TPEX listed company held by the Company, was approved at shareholder shareholders' meetings held on May 27, 2024 and May 31, 2023 to distribute cash dividends from original capital surplus contributed by shareholders. The Company received cash dividends of NT\$1,615 and NT\$4,694 on October 9, 2024 and August 7, 2023, which were regarded as a reduction of the Company's original cost of the holding.
12. Detail of the financial assets at fair value through other comprehensive income recognized under profit or loss and comprehensive income is as follows:

	<u>2024</u>	<u>2023</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Changes in fair value recognized as other comprehensive income	\$ 1,522,350	(\$ 236,991)
Dividend incomes recognized in profit and loss		
Held at the end of the current period	\$ 114,762	\$ 192,921

13. The maximum exposure to credit risk for the Company's financial assets at fair value through other comprehensive income, before consideration of associated collateral held and other credit enhancements, was NT\$6,956,332 and NT\$4,813,621 as of December 31, 2024 and 2023, respectively
14. For the details of the financial assets at fair value through other comprehensive income pledged as collateral, please refer to Note 8.
15. For information on the fair value of financial assets at fair value through other comprehensive income, please refer to Note 12(3).

(VI) Financial assets at amortized cost

<u>Item</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non-current items:		
Subordinated debts	\$ 250,000	\$ 250,000
Time deposits pledged	67,800	4,272,468
Total	\$ 317,800	\$ 4,522,468

1. Detail of the financial Assets at amortized cost recognized under the profit or loss is as follows:

	<u>2024</u>	<u>2023</u>
Interest revenue	<u>\$ 11,067</u>	<u>\$ 235,738</u>

2. The coupon rate and the effective interest rate of the Nan Shan Life Insurance Company, Ltd.'s subordinated bonds with no maturity date held the Company at a par value of NT\$250,000 thousand are both 3.5%.
3. The maximum exposure to credit risk for the Company's financial assets amortized cost, before consideration of associated collateral held and other credit enhancements, was NT\$317,800 and NT\$4,522,468 as of December 31, 2024 and 2023, respectively
4. Details of the Company's financial assets at amortized cost pledged to others as collateral are provided in Note 8.
5. For information on the credit risk of financial assets at amortized cost, please refer to Note 12(2). The trading counterparties of the Company's certificates of deposit are financial institutions with great credit ratings, so the likelihood of default is estimated to be very low.

(VII) Investments accounted for using the equity method

1. Details are as follows:

<u>The investee company</u>	<u>Carrying amount</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Subsidiaries</u>		
<u>Non-TWSE/TPEX listed companies</u>		
Shing Yen Construction & Development Co., Ltd. (Shing Yen Construction & Development)	\$ 294,043	\$ 291,832
Kompass Global Sourcing Solutions Ltd. (Kompass)	63,862	58,945
Gin-Hong Investment Co., Ltd. (Gin-Hong)	55,705	5,520
Full Shine International Holdings Ltd. (Full Shine)	1,980,199	1,708,038
Concord Greater China Limited (Concord)	1,554,581	944,221
Gold Leaf International Group Co., Ltd. (Gold Leaf)	9,761	9,082
East Capital International Limited (East Capital)	33,770	32,941
New Zone International Limited (New Zone)	106,653	103,948
Subtotal	<u>4,098,574</u>	<u>3,154,527</u>

Associates		
Publicly quoted entity		
Ruentex Development Co., Ltd. (Ruentex Development)	\$ 23,328,605	\$ 21,810,583
Non-TWSE/TPEX listed companies		
Ruen Chen Investment Holdings Ltd. (Ruen Chen Investment Holdings)	63,782,264	60,281,848
Nan Shan Life Insurance Co., Ltd. (Nan Shan Life Insurance)	760,239	733,831
Ruen Fu Newlife Corp. (Ruen Fu)	9,542	10,855
Subtotal	87,880,650	82,837,117
Total	<u>\$ 91,979,224</u>	<u>\$ 85,991,644</u>

2. The investment shareholder percentage is as follows:

<u>The investee company</u>	<u>Shareholding percentage</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Subsidiaries</u>		
<u>Non-TWSE/TPEX listed companies</u>		
Shing Yen Construction & Development	50.94%	50.94%
Kompass	100.00%	100.00%
Gin-Hong Investment	55.00%	55.00%
Full Shine	100.00%	100.00%
Concord	42.42%	42.25%
Gold Leaf	100.00%	100.00%
East Capital	100.00%	100.00%
New Zone	100.00%	100.00%
<u>Associates</u>		
<u>Publicly quoted entity</u>		
Ruentex Development	25.70%	25.70%
<u>Non-TWSE/TPEX listed companies</u>		
Ruen Chen Investment Holdings	23.00%	23.00%
Nan Shan Life Insurance	0.21%	0.21%
Ruen Fu Newlife	40.00%	40.00%

3. As of December 31, 2024 and 2023, the stocks of the Company held by the subsidiaries of the Company were treated as treasury stocks, and its detail are as follows:

<u>Company name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
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Gin-Hong Investment	<u>\$ 552,479</u>	<u>\$ 552,479</u>
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1. Details of the share of profit or loss of subsidiaries and associates under equity method are as follows:

<u>The investee company</u>	<u>2024</u>	<u>2023</u>
<u>Subsidiaries</u>		
<u>Non-TWSE/TPEX listed companies</u>		
Shing Yen Construction & Development	\$ 139	\$ 3,577
Kompass	4,917	16,025
Gin-Hong Investment	(131)	262
Full Shine	78,083	43,190
Concord	94,078	23,636
Gold Leaf	63	164
East Capital	(507)	(765)
New Zone	<u>(1,359)</u>	<u>(2,252)</u>
Subtotal	<u>175,283</u>	<u>83,837</u>

The investee company	2024	2023
<u>Associates</u>		
<u>Publicly quoted entity</u>		
Ruentex Development	\$ 3,894,452	\$ 1,775,411
<u>Non-TWSE/TPEX listed companies</u>		
Ruen Chen Investment Holdings	8,731,934	4,543,011
Nan Shan Life Insurance	90,559	47,160
Ruen Fu Newlife	(1,973)	(3,906)
Subtotal	12,714,972	6,361,676
Total	<u>\$ 12,890,255</u>	<u>\$ 6,445,513</u>

5. Among the investments accounted for using the equity method as of December 31, 2024, and 2023, Ruen Fu Newlife, Kompas, Gin-Hong Investment, Full Shine, Concord and Gold Leaf are all investments that are based on financial statements audited and certified by other independent auditors.

6. Subsidiaries

(1) Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2024 for more information on the Company's subsidiaries

(2) In September 2024, Kompas increased the capital from surplus, and the Company

received 1,442 thousand shares of stock dividends based on the shareholding ratio in Kompas.

- (3) In June 2024, Gin-Hong Investment increased its capital from surplus, and the Company received 3,646 thousand shares of stock dividends based on the shareholding ratio in Gin-Hong Investment. To revitalize capital, Gin-Hong Investment's shareholders' meeting approved to reduce its capital on October 30, 2023, with the capital reduced by 45.61% at NT\$10 per share. The total amount of the payment for the capital reduction was NT\$260,000, of which an amount of NT\$143,000 was refunded to the Company. After the capital reduction, the Company's shareholding remains at 55.00%.
- (4) Shing Yen Construction & Development has adjusted its capital structure and increased the return on shareholders' equity. The shareholders' meeting on June 15, 2023 approved the capital reduction by 9.63% at NTD 10 per share. The capital reduction returned a total of \$60,206 of shares, of which \$30,671 was returned to the Company. After the capital reduction, the Company's shareholding remained at 50.94 %.
- (5) Concord bought back 166,666 outstanding shares in April 2024 to protect its shareholders' interests and canceled the shares in the same month. As a result, the percentage of Concord's shareholding held by the Company and by Sinopac, a subsidiary in which the Company has invested through its subsidiary, FullShine, increased from 42.25% to 42.42% and from 15.51% to 15.57%, respectively.

7. Associates

- (1) The basic information of primary associates of the Company is as follows:

Company Title	Principal Place of Business	Shareholding Percentage		Nature of Relationship	Measurement Method
		December 31, 2024	December 31, 2023		
Ruentex Development	Taiwan	25.70%	25.70%	Diversification	Equity method
Ruen Chen Investment Holdings	Taiwan	23.00%	23.00%	Diversification	Equity method

- (2) The summary on the consolidated financial information of primary associates of the Company is as follows:

Balance Sheets

	<u>Ruentex Development</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current assets	\$ 44,451,869	\$ 45,654,225
Non-current assets	149,512,927	131,254,864
Current liabilities	(25,547,465)	(31,521,011)
Non-current liabilities	(56,615,450)	(43,572,760)
Equity	111,801,881	101,815,318
Non-controlling interests	(10,481,990)	(7,369,429)

	<u>Ruentex Development</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>\$ 101,319,891</u>	<u>\$ 94,445,889</u>
Portion of the net assets of associates	\$ 26,039,212	\$ 24,272,594
Unrealized gains or losses on upstream transactions(	( 2,191)	(2,191)
Mutual shareholdings	<u>(2,708,416)</u>	<u>(2,459,820)</u>
Carrying amount	<u>\$ 23,328,605</u>	<u>\$ 21,810,583</u>
	<u>Ruen Chen Investment Holdings</u>	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current assets	\$ 146,279,075	\$ 121,888,195
Non-current assets (Note 1)	5,493,140,523	5,281,003,679
Current liabilities	(19,381,724)	(42,098,461)
Non-current liabilities	<u>(5,305,494,025)</u>	<u>(5,062,762,560)</u>
Equity	314,543,849	298,030,853
Non-controlling interests	<u>(37,229,657)</u>	<u>(35,935,860)</u>
	<u>\$ 277,314,192</u>	<u>\$ 262,094,993</u>
Portion of the net assets of associates	<u>\$ 63,782,264</u>	<u>\$ 60,281,848</u>

Note 1: Nan Shan Life Insurance, a subsidiary controlled by Ruen Chen Investment Holdings, adopts the fair value model for the subsequent measurement of the investment property held, and the valuation technique is used in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises.

Statement of Comprehensive Income

	<u>Ruentex Development</u>	
	<u>2024</u>	<u>2023</u>
Income	<u>\$ 31,817,184</u>	<u>\$ 27,394,143</u>
Current Net Profit (Note 2)	19,904,817	9,028,059
Other comprehensive income (Net of tax)	<u>(5,199,080)</u>	<u>10,933,397</u>
Total Comprehensive Income Current Period (Note 3)	<u>\$ 14,705,737</u>	<u>\$ 19,961,456</u>

Note 2: Included the net consolidated income attributable to non-controlling interests in Ruentex Development for 2024 and 2023, in the amount of NT\$3,341,843 and NT\$1,283,544, respectively

Note 3: Included the net consolidated comprehensive income attributable to non-

controlling interests in Ruentex Development for 2024 and 2023, in the amount of NT\$3,653,093 and NT\$1,271,008, respectively

	<u>Ruen Chen Investment Holdings</u>	
	<u>2024</u>	<u>2023</u>
Income	\$ 491,390,167	\$ 467,629,673
Current Net Profit (Note 4)	42,401,649	22,062,715
Other comprehensive income (Net of tax)	(25,958,431)	44,309,180
Total Comprehensive Income Current Period (Note 5)	<u>\$ 16,443,218</u>	<u>\$ 66,371,895</u>

Note 4: Included the net consolidated income attributable to non-controlling interests in Ruen Chen Investment Holdings for 2024 and 2023, in the amount of NT\$4,436,719 and NT\$2,310,494, respectively

Note 5: Included the net consolidated comprehensive income attributable to non-controlling interests in Ruen Chen Investment Holdings for 2024 and 2023, in the amount of NT\$1,724,019 and NT\$6,940,879, respectively

(3) The summary on the share of individual insignificant associate's carrying amount and operating result of the Company is as follows:

As of December 31, 2024 and 2023, the total of the carrying amount of individual insignificant associate of the Company were NT\$769,781 and NT\$744,686 respectively.

	<u>2024</u>	<u>2023</u>
Net income of the current period	\$ 42,451,012	\$ 22,099,859
Other comprehensive income (Net of tax)	(30,073,670)	40,192,518
Total comprehensive income of current period	<u>\$ 12,377,342</u>	<u>\$ 62,292,377</u>

(4) For the investments accounted for under equity method of the Company with public market price, their fair values are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Ruentex Development	<u>\$ 31,359,377</u>	<u>\$ 27,594,790</u>

8. The Company holds 25.70% of Ruentex Development as the single largest shareholder of the company. Taking into the account the attendance of past shareholders' meetings, it shows that other shareholders are actively participating in Ruentex Development's business decision-making. There are nine seats on the board of directors of Ruentex Development, only two of which are occupied by the Company, showing that the Company has no actual ability to lead Ruentex Development activities. Therefore, it is judged that the Company has no control over it and only has significant influence.

9. Ruentex Development, an investee measured under the equity method, adopts the equity method for measurement of the Group because of the mutual shareholdings with the Group. The investment gains and losses are calculated and adjusted based on the method adopted for the treasury stock.
10. (1) Due to the supply chain disruption caused by the global pandemic over the past few years and the Russo-Ukrainian War, and other factors that have raised global inflationary pressures, interest rates have surged in 2022, which has met the definition of an extreme scenario defined by the Insurance Capital Standard (ICS). Therefore, the Board of Directors of Nan Shan Life Insurance, an insurance investee directly and indirectly invested in by the Company through Ruen Chen Investment Holdings, passed a resolution on September 29, 2022 in accordance with IFRS 9 to change the business model of financial assets management. For the affected financial assets, the

collection of contractual cash flows and sales of financial assets were mainly replaced with the collection of contractual cash flows through the financial assets held. The reclassification of financial assets derived from the change of this business model is in alignment with the Accounting Research and Development Foundation's Letter Ji-Mi No. 0000000354 regarding the guidance on the reclassification of financial assets due to changes in the business model for managing financial assets in the insurance industry due to drastic changes in the international economic situation. The Company recognized the effect of reclassification of Nan Shan Life Insurance's assets in accordance with IAS 28 on October 1, 2022, including an increase of investments using the equity method by NT\$60,930,167, a decrease in deferred tax assets by NT\$834,365, and an increase in other equity by NT\$60,095,802. In accordance with the Letter Jin-Guan-Zheng-Fa No. 1110384722, when the distributable earnings are distributed, a special reserve for the changes in the fair value of the financial assets reclassified by

Nan Shan Life Insurance should be provided in proportion to the shareholding using the equity method. Additionally, when there is a reversal of the change in the fair value of financial assets reclassified by Nan Shan Life Insurance, the Company may reverse the special reserve and distribute the special reserve in proportion to the shareholding using the equity method; the changes in the fair values of financial assets reclassified

by Nanshan Life Insurance and the corresponding special reserve provided are disclosed in the notes to the annual financial statements. The information on the finances before and after the relevant reclassification dates is summarized as follows:

<u>September 30, 2022</u>		<u>October 1, 2022</u>
<u>(before</u>	<u>Effects of</u>	<u>(after</u>
<u>reclassification)</u>	<u>reclassification</u>	<u>reclassification)</u>

Total Assets	\$ 57,005,368	\$ 60,095,802	\$ 117,101,170
Total Liabilities	38,570,908	-	38,570,908
Total Equity	18,434,460	60,095,802	78,530,262

- (2) Nan Shan Life Insurance reclassified financial assets on October 1, 2022 that were affected by significant changes in reclassification from being measured at fair value through other comprehensive income to being measured at amortized cost. As of December 31, 2024 and 2023, the fair value of the affected financial assets was NT\$1,011,103,167 and NT\$1,036,744,167, respectively. If Nan Shan Life Insurance had not reclassified these assets on October 1, 2022, the other equity would have been (NT\$344,651,654) and (NT\$256,308,182) as of December 31, 2024 and 2023. The after-tax change in fair value recognized in other comprehensive income for 2024 and 2023 was (NT\$88,343,472) and NT\$34,238,192, respectively.
- (3) As per Jin-Guan-Zheng-Fa No. 1110384722 and the Questions and Answers Regarding Public Companies' Applicability of the Provision of Special Reserves for Changes in the Fair Values of Financial Assets Reclassified by Insurance Investees, when the cumulative amount of changes in the fair values of the financial assets reclassified by an insurance investee in proportion to the shareholding using the equity method, the amount of the special reserve that should be available for the period (that is, the balance of the special reserve after provision and reversal) shall not exceed the carrying amount of the public company's investment in the insurance investee using the equity method for the period. As of December 31, 2024 and 2023, a special reserve that should be provided by the Company as per the above regulations was NT\$90,499,194 and NT\$67,301,821, respectively. The cumulative provision approved at the shareholders' meeting amounts to NT\$19,799,058.
11. As instructed by the FSC on June 13, 2016, the Company issued a letter of undertaking for the investment in Nan Shan General Insurance Co., Ltd. (Referred herein as "Nan Shan General Insurance"; originally named as Chartis Taiwan Insurance Co., Ltd.), and the undertaking is as follows:
- (1) The Company undertakes to request Nan Shan Life Insurance to ensure its longterm operation in handling the investment in Nan Shan General Insurance according to the laws and FSC's commitment
- (2) The Company undertakes that after Nan Shan Life Insurance acquires 200,000 thousand ordinary shares of Nan Shan General Insurance, i.e. 100% issued shares with voting rights, when Nan Shan General Insurance has the needs for capital increase at any time, the Company will request Nan Shan Life Insurance to handle the capital increase for Nan Shan General Insurance according to the laws and the request of the competent authority.

- (3) To fulfill the commitment of the Company and Ruen Chen Investment Holdings other shareholders on the long-term operation of Nan Shan General Insurance, in case where there is a need for capital increase for the Nan Shan General Insurance according to the laws or the request of competent authority such that new shares are to be issued for the capital increase, the Company and Ruen Chen Investment Holdings other shareholders undertake to request Nan Shan Life Insurance to hold at least a percentage of 51% on the number of outstanding ordinary shares.
12. Ruen Chen Investment Holding conducted cash capital increase in December 2024, and the Company subscribed the new issued shares in proportion to its shareholding amounting NT\$115,000; in June 2024, Ruen Chen Investment Holding increased its capital from surplus, and the Company received 400,085 thousand shares of stock dividends in proportion to its shareholding; and in October 2023, Ruen Chen Investment Holding conducted cash capital increase, and the Company subscribed the new issued shares in proportion to its shareholding amounting to NT\$115,000.
 13. Ruentex Development has adjusted its capital structure and increased the return on shareholders' equity. The shareholders' meeting on June 2023 approved the capital reduction by 10% at face value of NT\$10 per share. The capital reduction returned a total of \$3,160,250 of shares, of which \$812,209 was returned to the Company. After the capital reduction, the Company's shareholding remained at 25.70%.
 14. In order to improve financial structure and strengthen the operating capital, Ruen Fu conducted a capital reduction for making up losses of NT\$20,000 in December 2023, followed by a subsequent cash capital increase of NT\$30,000, and the Company paid NT\$12,000 for the new shares issued in proportion to its shareholding.
 15. In September 2024, Nan Shan Life Insurance increased the capital from surplus, and the Company received 1,871 thousand shares of stock dividends based on the shareholding percentage.
 16. For the status of collaterals provided for investments under equity method of the Company, please refer to Note 8.

(VIII) Property, plant and equipment

	<u>2024</u>							<u>Total</u>
	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Leased assets</u>	<u>Leasehold Improvements</u>	<u>Other equipment</u>	
January 1								
Cost	\$ 581,046	\$ 385,004	\$ 110,119	\$ 13,932	\$ 24,515	\$ 217,690	\$ 830,894	\$ 2,163,200
Accumulated impairment and depreciation	-	(182,294)	(85,837)	(10,256)	(24,515)	(211,189)	(627,445)	(1,141,536)
	<u>\$ 581,046</u>	<u>\$ 202,710</u>	<u>\$ 24,282</u>	<u>\$ 3,676</u>	<u>\$ -</u>	<u>\$ 6,501</u>	<u>\$ 203,449</u>	<u>\$ 1,021,664</u>
January 1	\$ 581,046	\$ 202,710	\$ 24,282	\$ 3,676	\$ -	\$ 6,501	\$ 203,449	\$ 1,021,664
Addition	-	-	636	-	-	13,228	9,669	23,533
Disposal - costs	-	-	(4,636)	-	-	(6,300)	(91,959)	(102,895)
Disposal - accumulated impairment and depreciation	-	-	4,636	-	-	6,300	91,928	102,864
Depreciation expense	-	(11,196)	(7,629)	(808)	-	(8,965)	(6,724)	(35,322)
Transfer - costs (Note)	-	-	5,727	-	-	-	(196,053)	(190,326)
Transfer - accumulated impairment loss and depreciation (Note)	-	-	-	-	-	-	84,878	84,878
December 31	<u>\$ 581,046</u>	<u>\$ 191,514</u>	<u>\$ 23,016</u>	<u>\$ 2,868</u>	<u>\$ -</u>	<u>\$ 10,764</u>	<u>\$ 95,188</u>	<u>\$ 904,396</u>
December 31								
Cost	\$ 581,046	\$ 385,004	\$ 111,846	\$ 13,932	\$ 24,515	\$ 224,618	\$ 552,551	\$ 1,893,512
Accumulated impairment and depreciation	-	(193,490)	(88,830)	(11,064)	(24,515)	(213,854)	(457,363)	(989,116)
	<u>\$ 581,046</u>	<u>\$ 191,514</u>	<u>\$ 23,016</u>	<u>\$ 2,868</u>	<u>\$ -</u>	<u>\$ 10,764</u>	<u>\$ 95,188</u>	<u>\$ 904,396</u>

Note: The amount transferred during the period was related to the transfer of prepayment for equipment and for replenishment of capital, the Company proposed to dispose of certain assets as resolved by the board of directors, and the related assets were reclassified as non-current assets held for sale during the period,

please refer to Note 6(13) for the details.

	<u>2023</u>							
	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Leased assets</u>	<u>Leasehold Improvements</u>	<u>Other equipment</u>	<u>Total</u>
January 1								
Cost	\$ 581,046	\$ 385,004	\$ 132,113	\$ 17,743	\$ 24,515	\$ 221,556	\$ 952,565	\$ 2,314,542
Accumulated impairment and depreciation	-	(171,098)	(101,848)	(15,287)	(24,515)	(209,525)	(749,585)	(1,271,858)
	<u>\$ 581,046</u>	<u>\$ 213,906</u>	<u>\$ 30,265</u>	<u>\$ 2,456</u>	<u>\$ -</u>	<u>\$ 12,031</u>	<u>\$ 202,980</u>	<u>\$ 1,042,684</u>
January 1	\$ 581,046	\$ 213,906	\$ 30,265	\$ 2,456	\$ -	\$ 12,031	\$ 202,980	\$ 1,042,684
Addition	-	-	1,793	2,450	-	4,306	6,453	15,002
Disposal - costs	-	-	(23,787)	(6,261)	-	(8,172)	(127,789)	(166,009)
Disposal - accumulated impairment and depreciation	-	-	23,787	6,261	-	8,172	127,778	165,998
Depreciation expense	-	(11,196)	(7,776)	(1,230)	-	(9,836)	(5,908)	(35,946)
Transfer - costs	-	-	-	-	-	-	(165)	(165)
Transfer - accumulated impairment loss and depreciation	-	-	-	-	-	-	165	165
Transfer to expenses - cost	-	-	-	-	-	-	(170)	(170)
Transfer to expenses - accumulated impairment loss and depreciation	-	-	-	-	-	-	105	105
December 31	<u>\$ 581,046</u>	<u>\$ 202,710</u>	<u>\$ 24,282</u>	<u>\$ 3,676</u>	<u>\$ -</u>	<u>\$ 6,501</u>	<u>\$ 203,449</u>	<u>\$ 1,021,664</u>
December 31								
Cost	\$ 581,046	\$ 385,004	\$ 110,119	\$ 13,932	\$ 24,515	\$ 217,690	\$ 830,894	\$ 2,163,200
Accumulated impairment and depreciation	-	(182,294)	(85,837)	(10,256)	(24,515)	(211,189)	(627,445)	(1,141,536)
	<u>\$ 581,046</u>	<u>\$ 202,710</u>	<u>\$ 24,282</u>	<u>\$ 3,676</u>	<u>\$ -</u>	<u>\$ 6,501</u>	<u>\$ 203,449</u>	<u>\$ 1,021,664</u>

Details of the Company's property, plant and equipment pledged to others as collateral are provided in Note 8.

(IX) Lease transactions - lessees

1. The assets leased by the Company include the Zhonglun Building office, other offices, and parking space, and the lease terms during 2024 and 2023 are from 2018 to 2035. The lease contracts are negotiated individually and contain different terms and conditions.
2. The lease terms for the leased company vehicles, storage and sales venues of the Company shall not exceed 12 months, and the underlying assets leased with low value are cash registers and related items for sales events.
3. The information of the right-of-use assets are as the following:

	<u>Buildings and structures</u>	
	<u>2024</u>	<u>2023</u>
January 1		
Cost	\$ 446,055	\$ 446,986
Accumulated depreciation	(197,609)	(143,356)
	<u>\$ 248,446</u>	<u>\$ 303,630</u>
January 1	\$ 248,446	\$ 303,630
Addition-Newly added lease contracts	-	7,125
Depreciation expense	(59,664)	(59,666)
Cost of derecognition	-	(1,168)
Accumulated depreciation on the de-booking date	-	1,168
Lease modifications - costs	-	(6,888)
Lease modifications - accumulated depreciation	-	4,245
December 31	<u>\$ 188,782</u>	<u>\$ 248,446</u>
December 31		
Cost	\$ 446,055	\$ 446,055
Accumulated depreciation	(257,273)	(197,609)
	<u>\$ 188,782</u>	<u>\$ 248,446</u>

4. Lease liabilities related to lease contracts are as the following:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Total amount of lease liabilities	\$ 194,640	\$ 254,275
Less: Due within one year (listed as lease liabilities - current)	(48,786)	(59,634)
	<u>\$ 145,854</u>	<u>\$ 194,641</u>

5. The information on income (loss) related to the lease contract is as follows:

	<u>2024</u>	<u>2023</u>
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	(\$ 2,569)	(\$ 3,107)
Expenses of short-term lease contracts	(9,286)	(7,398)
Expenses related to leases of low-value assets	(1,015)	(1,172)
Gains on lease modifications	-	24
	<u>(\$ 12,870)</u>	<u>(\$ 11,653)</u>

6. The information on net cash outflow from lease expenses is as follows:

	<u>2024</u>	<u>2023</u>
Interest expenses of lease liabilities	\$ 2,569	\$ 3,107
Expenses of short-term lease contracts	9,286	7,398
Expenses related to leases of low-value assets	1,015	1,172
Principal elements of lease payments	<u>59,635</u>	<u>59,273</u>
	<u>\$ 72,505</u>	<u>\$ 70,950</u>

(X) Lease transactions - lessor

1. The Company leases investment property based on operating lease contracts, and recognized rent income of NT\$94,583 and NT\$83,833 for 2024 and 2023, respectively.
2. The Company has leased part of the right-of-use assets based on operating lease contracts and recognized rent income of NT\$25,176 and NT\$25,792 for 2024 and 2023, respectively, and no variable lease payments were included.
3. Analysis to the due dates of lease payments leased as operating leases by the Company is as the following:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Within 1 year	\$ 78,148	\$ 80,670
1-2 years	72,439	66,245
2-3 years	72,439	66,174
3-4 years	72,096	66,174
4-5 years	71,782	66,174
More than 5 years	<u>728,667</u>	<u>734,341</u>
Total	<u>\$ 1,095,571</u>	<u>\$ 1,079,778</u>

(XI) Investment property

	<u>2024</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
January 1	\$ 8,116,759	\$ 633,204	\$ 8,749,963
Fair value adjustment gain	564,539	(1,272)	563,267
December 31	<u>\$ 8,681,298</u>	<u>\$ 631,932</u>	<u>\$ 9,313,230</u>

	<u>2023</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
January 1	\$ 7,846,870	\$ 665,243	\$ 8,512,113
Fair value adjustment gain	269,889	(32,039)	237,850
December 31	<u>\$ 8,116,759</u>	<u>\$ 633,204</u>	<u>\$ 8,749,963</u>

1. Rental income from investment real estate:

	<u>2024</u>	<u>2023</u>
Rental income from investment real estate	<u>\$ 94,583</u>	<u>\$ 83,833</u>

2. Investment property fair value valuation basis

The investment property held by the Company is mainly the Yangmei Plant in Taoyuan City, the land in Wuqi, Taichung City, the land in Xinfeng Township, Hsinchu County, as well as the buildings and land of Ruen Fu Newlife (New Aspects) in New Taipei City, all of which are mainly used for lease-out to earn rental income; the lease terms are about one to 23 years. The main assumptions and related explanations for December 31, 2024

and 2023 are as follows:

- (1) The locations, valuation methods, appraisal firms, names of the appraisers, and appraisal dates of the Company's main investment property are listed as follows:

	<u>December 31, 2024</u>			<u>December 31, 2023</u>		
Objective	Land	Building, land and parking space	Building and land	Land	Building, land and parking space	Building and land
Location	Hainchu County and Taichung City	Taoyuan City and Taipei City	New Taipei City	Hainchu County and Taichung City	Taoyuan City and Taipei City	New Taipei City

	<u>December 31, 2024</u>			<u>December 31, 2023</u>		
Appraisal method	The method of land development analysis	Income approach	Income approach	The method of land development analysis	Income approach	Income approach
Appraisal firm	Savills (Taiwan) Limited	Savills (Taiwan) Limited	Jhong-Ding Real Estate Appraisers Firm	Savills (Taiwan) Limited	Savills (Taiwan) Limited	Jhong-Ding Real Estate Appraisers Firm
Appraiser	Chang, Hung-Kai	Chang, I-Chih, Yeh, Yu-Fen	Jian, Wu-Chi	Chang, Hung-Kai	Chang, I-Chih, Yeh, Yu-Fen	Jian, Wu-Chi
Appraisal base date	December 31, 2024			December 31, 2023		

(2) Please refer to the table below for the information on the changes in the occupancy rates of the premises and parking spaces held by the Company and the amount of rental income, and the comparison between the local rents and rents from similar properties for 2024 and 2023.

	<u>December 31, 2024</u>	
	<u>Building and land</u> (NT\$/ping/month)	<u>Parking space</u> (NT\$/space/month)
Estimated rent of the project	\$160~\$460	\$15,000
The local rent is similar to the market.		
Market price of rent	Equivalent to estimated rent	Equivalent to estimated rent
Occupancy rate	100%	100%
Rental growth rate	0.00%~2.00%	
	<u>December 31, 2023</u>	
	<u>Building and land</u> (NT\$/ping/month)	<u>Parking space</u> (NT\$/space/month)
Estimated rent of the project	\$150~\$458	\$15,000
The local rent is similar to the market.		
Market price of rent	Equivalent to estimated rent	Equivalent to estimated rent
Occupancy rate	99%~100%	100%
Rental growth rate	0.00%~2.00%	

	<u>2024</u>		<u>2023</u>	
	<u>Building and land</u>		<u>Parking space</u>	
Income amount	\$	106,378	\$	343

	<u>Building and land</u>		<u>Parking space</u>	
Income amount	\$	83,490	\$	343

- (3) The Company mainly adopts the discounted cash flow analysis method under the income approach to measure the fair value; however, when said method cannot be adopted for undeveloped land, the land development analysis approach is adopted.
- (4) For the discounted cash flow method of the income approach appraisal method estimation process, the current lease contract rent is considered. If the operation period is assumed to exceed the current least contract period during the analysis period, the market rent is used for the evaluation. For the market rent, the rent of similar subject matters and factors affecting the price, including price negotiation, condition and price date, etc. are considered to perform analysis and comparison. In addition, the current lease market demand and consumer price index average change rate are also considered to determine the annual rent growth rate interval. Next, the idle loss and future net cash outflow of the subject matter during the analysis period are considered. Finally, during the end of the analysis period, the estimated disposition value of the subject matter is added and the net cash inflow during the analysis period is calculated, followed by using an appropriate discount rate to calculate total for estimation to the appraisal date. The future cash outflow refers to expenditures directly related to the operation, such as land value tax, house tax, insurance fee, management fee and repair expense. The actual expenditure incurred in the current year is used and the current operational status and future possible changes of the Company are considered in order to estimate the future cash flow.
- (5) The method of land development analysis appraisal method estimation process is to determine the land development content and expected development time, and to perform investigation, survey and analysis on various costs, relevant expenses and current environmental condition first, along with the collection of market information, in order to estimate the land or building area and total sales amount after the development or construction. In addition, appropriate profit margin and overall capital interest rate are used to calculate the land development analysis price on the appraisal date. When the estimated total sales amount increases, profit margin increases or overall capital interest rate decreases, the fair value will increase. With regard to the future economy prediction, as the global economic and trading dynamics recover progressively after the epidemic control measures are relaxed, new emerging digital applications of high performances computation, IoT, automotive electronics are expanding, such that it is beneficial to the continuous growth of export orders and production of manufacturing industry. Nevertheless, the global inflation pressure is still high and variance of virus still exists, causing the increase of investment risk of

companies, and the factory expansion plan can be affected. All of such unfavorable factors increase the risk of economic decline, and it is necessary to monitor subsequent development and implement response measures properly.

- (6) The Company does not have a development plan for the four land parcels located in Tai'an Section, Xinfeng Township, Hsinchu County, 18 land parcels in Taifeng Section, Xinfeng Township, Hsinchu County, and four land parcels in the southern section of Wuqi District, Taichung City, it owns, and they, for the time being, are temporarily rented out as parking lots and for advertising. As such land parcels are undeveloped vacant lots, the fair values should be measured with the land development analysis approach. Key assumptions are as follows:

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Xinfeng Township, Hsinchu County</u>	<u>Wuqi District, Taichung City</u>	<u>Xinfeng Township, Hsinchu County</u>	<u>Wuqi District, Taichung City</u>
Estimated total sales amount	<u>\$ 1,902,574</u>	<u>\$ 22,079,285</u>	<u>\$ 1,048,772</u>	<u>\$ 18,898,905</u>
Profit margin	16.00%	24.00%	15.00%	24.00%
Overall capital interest rate	4.01%	3.86%	2.32%	3.76%

In addition to the lands at Xinfeng Township of Hsinchu County and Wuqi District of Taichung City yet to be developed, for the fair value of rest of the investment properties, the discounted cash flow method of the income approach is used to estimate the fair value.

- (7) Please refer to the following table for the discount rate interval. The two-year postal time deposit small amount deposit flexible interest rate announced by Chunghwa Post Co.,Ltd. plus 0.75 percentage points is used. In addition, for the risk premium, the liquidity, risk, value addition and management difficulty level are considered according to the base interest rate, in order to perform comparison and determination.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate	2.770%~4.095%	2.848%~4.095%

- (8) The income approach is adopted for the Company's investment property valuation. The cash flow, analysis period, and discount rate in the valuation method are in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

3. Please refer to Note 12(3) for the details of fair value of investment property.

4. The Company's investment property - land in the amount of NT\$4,488 in the Sihu Section

in Yangmei belongs to agricultural land and was acquired in the name of a juridical corporate director's relative within the first degree of kinship. Both parties have signed a trust contract.

5. For the status of the collaterals provided for investment property held by the Company, please refer to Note 8.

(XII) Intangible assets

	<u>Computer software</u>	
	<u>2024</u>	<u>2023</u>
January 1		
Cost	\$ 27,253	\$ 26,204
Accumulated amortization	(26,391)	(24,819)
	<u>\$ 862</u>	<u>\$ 1,385</u>
January 1	\$ 862	\$ 1,385
Addition	1,820	1,049
Amortization expenses	(1,687)	(1,572)
December 31	<u>\$ 995</u>	<u>\$ 862</u>
December 31		
Cost	\$ 29,073	\$ 27,253
Accumulated amortization	(28,078)	(26,391)
	<u>\$ 995</u>	<u>\$ 862</u>

Details of amortization of intangible assets are as follows:

	<u>2024</u>	<u>2023</u>
Selling expenses	\$ 464	\$ 288
Administrative expenses	<u>1,223</u>	<u>1,284</u>
	<u>\$ 1,687</u>	<u>\$ 1,572</u>

(XIII) Non-current assets held for sale and discontinued operations

In order to revitalize the assets and replenish the working capital, the Company's board of directors approved the disposal of the land and building of the Guanyin Plant in Guanyin District, Taoyuan City on August 13, 2024; therefore, the related assets were reclassified as assets held for sale. Currently, the Company has commissioned Savills plc to sell these assets in a public tender. As of March 12, 2025, the sale has not yet been completed.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Property, plant and equipment	\$ 113,425	\$ -
(XIV) <u>Other non-current assets</u>		

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Guarantee deposits paid	\$ 43,483	\$ 42,813
Prepayments for business facilities	502	2,752
Defined benefit assets	51,775	28,291
Overdue receivable	4,088	4,088
Loss allowance - Overdue receivable	(4,088)	(4,088)
	<u>\$ 95,760</u>	<u>\$ 73,856</u>

(XV) Short-term borrowings

<u>Nature of loan</u>	<u>December 31, 2024</u>	<u>Interest rate range</u>	<u>Guarantee</u>
Bank loan			
Secured loan	\$ -	-	Note
Credit loan	<u>250,000</u>	1.78%	Nil
	<u>\$ 250,000</u>		

<u>Nature of loan</u>	<u>December 31, 2023</u>	<u>Interest rate range</u>	<u>Guarantee</u>
Bank loan			
Secured loan	\$ -	-	Note
Credit loan	<u>350,000</u>	1.65%~1.70%	Nil
	<u>\$ 350,000</u>		

Note: Please refer to Note 8 for details of the collateral provided by the Company for short-term borrowings.

(XVI) Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Salaries and bonuses payable	\$ 103,474	\$ 78,191
Employee compensation payable	64,166	62,176
Dividends payables	37,444	43,762
Interest payable	5,929	7,208
Payables on equipment	2,736	1,456
Others	80,632	78,975
	<u>\$ 294,381</u>	<u>\$ 271,768</u>

(XVII) Long-term borrowings

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Secured bank loan	\$ 3,845,000	\$ 7,620,000
Credit bank loan	<u>5,375,000</u>	<u>7,025,000</u>
	9,220,000	14,645,000
Less: Long-term borrowings due within one year or one operating cycle	<u>(625,000)</u>	<u>(850,000)</u>
	<u>\$ 8,595,000</u>	<u>\$ 13,795,000</u>
Maturity date range	115.04.30~116.09.13	114.02.08~115.06.26
Interest rate range	1.73%~2.09%	1.60%~1.88%

1. The Company signed a credit agreement with CTBC Bank in June 2023 to provide financing to the Company.

The credit period is from June 2023 to May 2025. The total credit limit is NT\$1,300,000, and as of December 31, 2024, the Company had drawn down a credit amount of NT\$850,000. The main commitments of the Company are as follows:

- (1) The Company reviews the annual and semi-annual consolidated statements audited by accountants every six months (every April and October).
 - (2) The Company shall maintain a current ratio of not less than 100%, a debt ratio of not greater than 100%, an interest coverage ratio of not less than three times, and the net value of tangible assets of NT\$35,000,000 or above. The calculation of the aforementioned net value of tangible assets shall exclude the profit and loss effect on Ruen Chen Investment Holdings (calculated in proportion to the shareholding).
 - (3) As per the general terms under Item B and the acceleration clause under Article 5 of the guaranty agreement signed between the Company and CTBC Bank, to secure its creditor's rights, CTBC Bank, in the event of matters specifically stipulated in the agreement with the effect in alignment of the acceleration clause may stop or reduce the loan at any time or shorten the credit period, or the principal and interest shall be deemed fully due.
2. The Company signed a credit agreement with Taipei Fubon Bank in July 2023 to provide financing to the Company. The credit period is from August 2023 to July 2025. The total credit limit is NT\$500,000, and as of December 31, 2024, the Company had drawn down a credit amount of NT\$0. The main commitments of the Company are as follows:
The Company follows up on the following criteria after drawdown and examines if the use of the loan exceeds the limit.

- (1) The Company reviews the consolidated financial statements audited by accountants every year.
 - (2) The Company shall maintain a current ratio of no lower than 100%, a debt ratio of no greater than 100%, the times of interest earned of no fewer than three times, and the net value of tangible assets of no less than NT\$35,000,000.
3. The Company signed a credit agreement with En Tie Commercial Bank in April 2023 to provide financing to the Company. The credit period is from May 2023 to May 2025. The total credit limit is NT\$500,000, and as of December 31, 2024, the Company had drawn down a credit amount of NT\$0. The main commitments of the Company are as follows:
- (1) The Company should maintain a consolidated current ratio of 70% or more and a consolidated debt ratio of 120% or less.
 - (2) When the loan criteria fail to be met, Entie Commercial Bank bears no obligation to maintain the facility and, therefore, may terminate part or all of the facility.
4. In addition to the endorsement/guarantees and collateral provided by the Company for short-term borrowings, short-term notes payable, and long-term borrowings as in Notes 7(2)8 and 8, the amounts of guarantee notes issued are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Guarantee notes	\$ 40,582,800	\$ 46,805,900

(XVIII) Other non-current liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Guarantee deposits received	\$ 860,057	\$ 788,889
Others	-	965
	<u>\$ 860,057</u>	<u>\$ 789,854</u>

(XIX) Pensions

- 1.(1) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and

wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the supervisory committee of retirement reserve. In addition, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.

(2) The amounts recognized in the balance sheet are determined as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligation	\$ 158,439	\$ 163,016
Fair value of plan assets	<u>(210,214)</u>	<u>(191,307)</u>
Net defined benefit (asset) liability (listed as other non-current (assets) liabilities)	<u>(\$ 51,775)</u>	<u>(\$ 28,291)</u>

(3) Movements in net defined benefit (assets) liabilities are as follows:

	<u>2024</u>		
	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit (asset) liability</u>
Balance, January 1	\$ 163,016	(\$ 191,307)	(\$ 28,291)
Current service cost	1,141	-	1,141
Interest (revenue) expense	<u>1,834</u>	<u>(2,176)</u>	<u>(342)</u>
	<u>165,991</u>	<u>(193,483)</u>	<u>(27,492)</u>
Re-measurements			
Returns on plan assets (other than the amounts included in interest income or expense)	-	(17,345)	(17,345)
Effects of changes in economic assumptions	(3,541)	-	(3,541)
Experience adjustments	<u>525</u>	<u>-</u>	<u>525</u>
	<u>(3,016)</u>	<u>(17,345)</u>	<u>(20,361)</u>
Contribution to pension fund	-	(3,922)	(3,922)
Payment of pension benefits	<u>(4,536)</u>	<u>4,536</u>	<u>-</u>
Balance, December 31	<u>\$ 158,439</u>	<u>(\$ 210,214)</u>	<u>(\$ 51,775)</u>

	<u>2023</u>		
	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit (asset) liability</u>
Balance, January 1	\$ 166,981	(\$ 192,926)	(\$ 25,945)
Current service cost	1,131	-	1,131
Interest (revenue) expense	<u>2,087</u>	<u>(2,454)</u>	<u>(367)</u>
	<u>170,199</u>	<u>(195,380)</u>	<u>(25,181)</u>
Re-measurements			
Returns on plan assets (other than the amounts included in interest income or expense)	-	(1,662)	(1,662)
Effects of changes in economic assumptions	1,210	-	1,210
Experience adjustments	<u>1,741</u>	<u>-</u>	<u>1,741</u>
	<u>2,951</u>	<u>(1,662)</u>	<u>1,289</u>
Contribution to pension fund	-	(4,271)	(4,271)
Payment of pension benefits	<u>(10,134)</u>	<u>10,006</u>	<u>(128)</u>
Balance, December 31	<u>\$ 163,016</u>	<u>(\$ 191,307)</u>	<u>(\$ 28,291)</u>

(4) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 Paragraph 142. The composition of fair value of plan Assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(5) The principal actuarial assumptions used were as follows:

	<u>2024</u>	<u>2023</u>
Discount rate	1.500%	1.125%
Future salary increase in percent	2.000%	2.000%

The future mortality rates in 2024 and 2023 were both estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increase in percent</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>
December 31, 2024				
The impact on the present value of defined benefit obligations	<u>(\$ 2,283)</u>	<u>\$ 2,345</u>	<u>\$ 2,296</u>	<u>(\$ 2,247)</u>
December 31, 2023				
The impact on the present value of defined benefit obligations	<u>(\$ 2,402)</u>	<u>\$ 2,474</u>	<u>\$ 2,410</u>	<u>(\$ 2,352)</u>

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The method and assumptions used for the preparation of sensitivity analysis the current period are the same as the ones of the previous period.

- (6) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2025 amounts to NT\$4,043.
- (7) As of December 31, 2024, the weighted average duration of that retirement plan is 5.8 years. The analysis of timing of the future pension payment was as follows:

	<u>December 31, 2024</u>
Less than 1 year	\$ 8,605
1-2 years	8,725
2-5 years	86,075
More than 5 years	<u>58,155</u>
	<u>\$ 161,560</u>

- 2.(1) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (2) In 2024 and 2023, the pension cost recognized by the Company in accordance with the above regulations was NT\$13,542 and NT\$13,591, respectively.

(XX) Capital

1. As of December 31, 2024, the Company’s authorized capital was NT\$15,000,000, and the paid-in capital was NT\$11,043,188 with a par value of NT\$10 per share; all shares are issued as ordinary shares. All proceeds from shares issued have been collected.
2. The number of the Company’s outstanding shares on December 31, 2024 and 2023 was 1,104,319 thousand and 1,104,319 thousand, respectively.
3. As for the treasury shares listed by the Company, they are 36,593 thousand shares held by the subsidiary, Gin-Hong Investment, as of December 31, 2024 and 2023 to protect its shareholders’ equity. The information on the amount is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Gin-Hong Investment	\$ 552,479	\$ 552,479

(XXI) Capital surplus

1. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

2. Change of capital surplus is as follows:

	<u>2024</u>		<u>Changes in the</u>	<u>Changes in</u>	<u>Others</u>	<u>Total</u>
	<u>Issued at premium</u>	<u>Treasury share transactions</u>	<u>ownership</u> <u>interests of</u> <u>subsidiaries as</u> <u>recognized</u>	<u>the associates'</u> <u>net value of</u> <u>equity</u>		
January 1	\$ 25,956,207	\$ 1,133,719	\$ -	\$ 955,836	\$ 125,750	\$ 28,171,512
Cash dividends received by subsidiaries from the parent company	-	50,316	-	-	-	50,316
Amount not recognized in proportion to the shareholding	-	-	329	-	-	329
Changes in the equity of associates recognized based on shareholding percentage	-	-	-	20,368	-	20,368
Overdue dividends not collected by shareholders	-	-	-	-	11,057	11,057
Income tax effect	-	-	(65)	(1,223)	-	(1,288)
December 31	<u>\$ 25,956,207</u>	<u>\$ 1,184,035</u>	<u>\$ 264</u>	<u>\$ 974,981</u>	<u>\$ 136,807</u>	<u>\$ 28,252,294</u>

	<u>2023</u>		<u>Changes in the</u>	<u>Others</u>	<u>Total</u>
	<u>Issued at premium</u>	<u>Treasury share transactions</u>	<u>associates' net value</u> <u>of equity</u>		
January 1	\$ 25,956,207	\$ 1,093,466	\$ 929,477	\$ 112,115	\$ 28,091,265
Cash dividends received by subsidiaries from the parent company	-	40,253	-	-	40,253
Changes in the equity of associates recognized based on shareholding percentage	-	-	28,041	-	28,041
Overdue dividends not collected by shareholders	-	-	-	13,612	13,612
Gains after disgorgement exercised	-	-	-	23	23
Income tax effect	-	-	(1,682)	-	(1,682)
December 31	<u>\$ 25,956,207</u>	<u>\$ 1,133,719</u>	<u>\$ 955,836</u>	<u>\$ 125,750</u>	<u>\$ 28,171,512</u>

(XXII) Retained earnings

1. As per the Articles of Incorporation, 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 or reversed 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's dividend policy is based on the Company Law and its articles of incorporation. The Board of Directors proposes an annual distribution plan to the shareholder meeting,

taking into account factors such as finance, business, management, and capital budgeting, as well as balancing shareholder interests and the company's long-term financial planning. However, shareholder dividends must be no less than 30% of the net profit after tax for the year, excluding the share of profit or loss of associates and joint ventures accounted for using the equity method, after the legally required statutory reserve and various special reserves have been appropriated. The cash dividend ratio must be no less than 30% of the total dividend distribution for the year.

2. Except for covering accumulated deficit or issuing new stocks or cash to shareholder in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- 3.(1) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (2) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi No. 1010012865 Letter dated April 6, 2012, shall be reversed proportionately when the relevant Assets are used, disposed of or reclassified subsequently.
4. (1) The 2023 and 2022 earnings distribution proposals of the Company were approved by the shareholders' meetings on June 27, 2024 and June 16, 2023. The details are as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>Dividend per share (NTD)</u>	<u>Amount</u>	<u>Dividend per share (NTD)</u>
Legal reserve	\$ 737,360		\$ 1,388,188	
Special reserve (Note)	(10,705,533)		63,312,557	
Cash dividends	<u>2,760,797</u>	\$ 2.50	<u>-</u>	\$ -
Total	<u>(\$ 7,207,376)</u>		<u>\$ 64,700,745</u>	

Note:

a. The components of the special reserve provided (reversed) for the 2023 distribution plan are as follows:

(a) As per Jin-Guan-Zheng-Fa No. 10901500221, regarding the investment property that the Company continues to adopt the fair value model for measurement, the net increase (decrease) in the fair value during the

period and the net increase (decrease) in the fair value of the investees' investment property in the investment income recognized in proportion to the shareholding using the equity method during the year in the amount of NT\$501,419 were provided.

(b) Pursuant to Jin-Guan-Zheng-Fa No. 1090150022, the Company provided NT\$11,206,952 for the net deduction of other equity incurred during this period was reversed.

b. The components of the special reserve provided for the 2022 distribution plan are as follows:

(a) As per Jin-Guan-Zheng-Fa No. 10901500221, regarding the investment property that the Company continues to adopt the fair value model for measurement, the net increase (decrease) in the fair value during the period and the net increase (decrease) in the fair value of the investees' investment property in the investment income recognized in proportion to the shareholding using the equity method during the year in the amount of NT\$3,017,739 were provided.

(b) Pursuant to Jin-Guan-Zheng-Fa No. 1090150022, the Company provided NT\$40,495,760 for the net deduction of other equity incurred during this period.

(c) As mentioned in Note 6(7)10(3), as per Jin-Guan-Zheng-Fa No. 1110384722 and the Questions and Answers Regarding Public Companies' Applicability of the Provision of Special Reserves for Changes in the Fair Values of Financial Assets Reclassified by Insurance Investees, when the cumulative amount of changes in the fair values of the financial assets reclassified by an insurance investee in proportion to the shareholding using the equity method, the amount of the special reserve that should be available for the period (that is, the balance of the special reserve after provision and reversal) shall not exceed the carrying amount of the public company's investment in the insurance investee using the equity method for the period. The Company provided a special reserve from the 2022 distributable earnings in accordance with the above regulations (a) and (b) and provided NT\$19,799,058 in accordance with the above-mentioned regulations.

(2) Approved by the shareholders' meeting on June 16, 2023, the Company would distribute \$2 per share in cash using its legal reserve, totaling \$2,208,638.

5. (1) The appropriation of earnings for 2024 had been proposed by Company's board of directors on March 12, 2025 as follows:

	<u>2024</u>	<u>Dividend per share (NTD)</u>
	<u>Amount</u>	
Legal reserve	\$ 1,359,613	
Provision of special reserve (Note)	<u>26,817,495</u>	
Total	<u>\$ 28,177,108</u>	

Note: The components of the special reserve provided for the 2024 distribution plan are as follows:

- a. As per Jin-Guan-Zheng-Fa No. 10901500221, regarding the investment property that the Company continues to adopt the fair value model for measurement, the net increase (decrease) in the fair value during the period and the net increase (decrease) in the fair value of the investees' investment property in the investment income recognized in proportion to the shareholding using the equity method during the year in the amount of NT\$927,634 were provided.
 - b. Pursuant to Jin-Guan-Zheng-Fa No. 1090150022, the Company provided NT\$4,621,973 for the net deduction of other equity incurred during this period.
 - c. As mentioned in Note 6(7)10(3), as per Jin-Guan-Zheng-Fa No. 1110384722 and the Questions and Answers Regarding Public Companies' Applicability of the Provision of Special Reserves for Changes in the Fair Values of Financial Assets Reclassified by Insurance Investees, when the cumulative amount of changes in the fair values of the financial assets reclassified by an insurance investee in proportion to the shareholding using the equity method, the amount of the special reserve that should be available for the period (that is, the balance of the special reserve after provision and reversal) shall not exceed the carrying amount of the public company's investment in the insurance investee using the equity method for the period. The Company has provided NT\$21,267,888 for the distributable earnings for 2024 besides the special reserve provided under a and b described in the preceding paragraphs.
- (2) On March 12, 2025, the Board of Directors of the Company resolved to distribute NT\$2.50 per share in cash, amounting to NT\$2,760,797, from the legal reserve.

6. Change of undistributed earnings is as follows:

	<u>2024</u>	<u>2023</u>
January 1	\$ 7,373,600	\$ 64,700,745
Appropriation and distribution of earnings:		
- Legal reserve	(737,360)	(1,388,188)
- Special reserve	10,705,533	(63,312,557)
- Cash dividend	(2,760,797)	-
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	-	251
Changes in associates & joint ventures accounted for using equity method	(5,849)	35
Net income of the current period	13,564,168	7,499,620
Remeasurements of defined benefit obligation		
- The Company	20,361	(1,289)
- Subsidiaries and associates	22,258	(126,994)
Effect of income tax on Remeasurements of defined benefit obligation		
- The Company	(4,072)	258
- Subsidiaries and associates	(734)	1,719
December 31	<u>\$ 28,177,108</u>	<u>\$ 7,373,600</u>

(XXIII) Other equity items

	<u>2024</u>				<u>Reclassification by</u>	<u>Property</u>	
	<u>Unrealized valuation</u>	<u>Foreign currency</u>	<u>Hedging reserve</u>		<u>the overlay</u>	<u>reevaluation</u>	<u>Total</u>
	<u>profit or loss</u>	<u>translation</u>			<u>approach</u>	<u>surplus</u>	
January 1	(\$ 14,350,788)	(\$ 539,008)	\$ 215		(\$ 15,307,985)	\$ 54,689	(\$ 30,142,877)
Unrealized valuation profit or loss of financial assets:							
- The Company	1,522,350	-	-		-	-	1,522,350
-Changes in the Company's disposal	-	-	-		-	-	
- Tax related to the Company	(84,798)	-	-		-	-	(84,798)
- Subsidiaries and associates	(2,630,390)	-	-		-	-	(2,630,390)
- Changes in disposal of associates	5,849	-	-		-	-	5,849
- Tax related to the subsidiaries and associates	(66,874)	-	-		-	-	(66,874)
Foreign currency translation differences:							
- Subsidiaries and associates	-	228,798	-		-	-	228,798
- Tax related to the subsidiaries and associates	-	(37,995)	-		-	-	(37,995)
Reclassification by the overlay approach:							
- Associate	-	-	-		(37,995)	-	(37,995)
- Tax related to the associates	-	-	-		54,308	-	54,308
Property revaluation surplus:							

- Associate	-	-	-	-	11,587	11,587
- Tax related to the associates	-	-	-	-	(347)	(347)
December 31	<u>(\$ 15,604,651)</u>	<u>(\$ 348,205)</u>	<u>\$ 215</u>	<u>(\$ 18,878,138)</u>	<u>\$ 65,929</u>	<u>(\$ 34,764,850)</u>

	<u>2023</u>					
	<u>Unrealized valuation</u>	<u>Foreign currency</u>		<u>Reclassification by</u>	<u>Property</u>	<u>Total</u>
	<u>profit or loss</u>	<u>translation</u>	<u>Hedging reserve</u>	<u>the overlay</u>	<u>revaluation</u>	
				<u>approach</u>	<u>surplus</u>	
January 1	(\$ 15,113,123)	(\$ 533,082)	\$ 215	(\$ 25,742,567)	\$ 38,727	(\$ 41,349,830)
Unrealized valuation profit or loss of financial assets:						
- The Company	(236,991)	-	-	-	-	(236,991)
-Changes in the Company's disposal	(251)	-	-	-	-	(251)
- Tax related to the Company	15,833	-	-	-	-	15,833
- Subsidiaries and associates	882,626	-	-	-	-	882,626
- Changes in disposal of associates	(35)	-	-	-	-	(35)
- Tax related to the subsidiaries and associates	101,153	-	-	-	-	101,153
Foreign currency translation differences:						
- Subsidiaries and associates	-	(6,664)	-	-	-	(6,664)
- Tax related to the subsidiaries and associates	-	738	-	-	-	738
Reclassification by the overlay approach:						
- Associate	-	-	-	10,443,709	-	10,443,709
- Tax related to the associates	-	-	-	(9,127)	-	(9,127)
Property revaluation surplus:						
- Associate	-	-	-	-	15,997	15,997
- Tax related to the associates	-	-	-	-	(35)	(35)
December 31	<u>(\$ 14,350,788)</u>	<u>(\$ 539,008)</u>	<u>\$ 215</u>	<u>(\$ 15,307,985)</u>	<u>\$ 54,689</u>	<u>(\$ 30,142,877)</u>

(XXIV) Operating revenue

	<u>2024</u>	<u>2023</u>
Revenue from contracts with customers:		
Revenue from sales of goods	\$ 2,402,334	\$ 2,307,975
Rental income	<u>119,759</u>	<u>109,625</u>
	<u>\$ 2,522,093</u>	<u>\$ 2,417,600</u>

1. Detail of customer contract income

The Company's revenue is mainly from the transfer of products and leases over time or at a point in time, and it can be broken down into the main segments below:

<u>2024</u>	<u>Textile segment</u>	<u>Retail segment</u>	<u>Hypermarket segment</u>	<u>Total</u>
Departmental revenue	<u>\$ 714,518</u>	<u>\$ 515,159</u>	<u>\$ 1,172,657</u>	<u>\$ 2,402,334</u>
Timing of revenue recognition				
Revenue recognized at a point in time	<u>\$ 714,518</u>	<u>\$ 515,159</u>	<u>\$ 1,172,657</u>	<u>\$ 2,402,334</u>
<u>2023</u>	<u>Textile segment</u>	<u>Retail segment</u>	<u>Hypermarket segment</u>	<u>Total</u>
Departmental revenue	<u>\$ 631,477</u>	<u>\$ 523,020</u>	<u>\$ 1,153,478</u>	<u>\$ 2,307,975</u>
Timing of revenue recognition				
Revenue recognized at a point in time	<u>\$ 631,477</u>	<u>\$ 523,020</u>	<u>\$ 1,153,478</u>	<u>\$ 2,307,975</u>

2. Contract assets and liabilities (related parties included)

The Company did not recognize contract assets related to revenue from customer contracts as of December 31, 2024 and 2023. In addition, the contract liabilities recognized by the Company are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract liabilities	<u>\$ 41,194</u>	<u>\$ 34,804</u>	<u>\$ 23,348</u>

(XXV) Operating cost

	<u>2024</u>	<u>2023</u>
Costs of clients' contracts:		
Cost of sales of goods	<u>\$ 1,715,014</u>	<u>\$ 1,640,084</u>

(XXVI) Interest revenue

	<u>2024</u>	<u>2023</u>
Interest on cash in banks	\$ 6,667	\$ 241,508
Interest income from the financial assets measured at amortized costs	11,067	235,738
Imputed interest for deposit	257	284
	<u>\$ 17,991</u>	<u>\$ 477,530</u>

(XXVII) Other non-operating income

	<u>2024</u>		<u>2023</u>
Dividend income			
Financial assets at fair value through profit or loss	\$ 23,500	\$	12,656
Financial assets at fair value through other comprehensive income acquired	114,762		192,921
Other non-operating income	<u>68,169</u>		<u>62,941</u>
	<u>\$ 206,431</u>	\$	<u>268,518</u>

(XXVIII) Other gains and losses

	<u>2024</u>		<u>2023</u>
Gains on property, plant and equipment	\$ 2,348	\$	3,953
Gains on disposal of assets (Note)	-		499,146
Net foreign exchange gains	71,427		74,869
Losses gains (loss) on financial assets at fair value through profit or loss	312,338	(	84,978)
Fair value adjustment gain - investment property	563,267		237,850
Gains on lease modifications	-		24
Others	<u>(3,342)</u>	(	<u>4,479)</u>
	<u>\$ 946,038</u>	\$	<u>726,385</u>

Note: Please refer to Note 6(3)1 for the gain on disposal of assets, which is the sale of the land located in Xiapu Subsection, Wucuo Section, Dayan District, Taoyuan City by the Company in November 2023.

(XXIX) Financial cost

	<u>2024</u>		<u>2023</u>
Interest expense:			
Bank loan and short-term notes and bills	\$ 148,872	\$	278,114
Lease liabilities	2,569		3,107
Others	12,047		10,124
Other financial expenses	<u>1,001</u>		<u>141</u>
	<u>\$ 164,489</u>	\$	<u>291,486</u>

(XXX) Additional information on the nature of costs and expenses

	<u>2024</u>		<u>2023</u>
Raw materials and supplies consumed	\$ 26,497		\$ 18,542
Changes in inventories of finished goods and work-in-process	461,781		450,849
Changes in merchandise inventory	1,119,364		1,098,613
Contract processing expense	132,470		112,238
Gain from the price recovery of inventory declines (	25,098)	(	40,158)
Employee benefit expense	444,723		401,501
Depreciation expenses for property, plant and equipment	35,322		35,946
Depreciation expenses for right-of-use assets	59,664		59,666
Amortization expenses	1,687		2,476
Expected credit impairment losses (gains on reversal)	768	(	979)
Other operating costs and expenses	<u>300,893</u>		<u>317,994</u>
	<u>\$ 2,558,071</u>		<u>\$ 2,456,688</u>

(XXXI) Employee benefit expense

	<u>2024</u>		<u>2023</u>
Wages and salaries	\$ 357,035		\$ 316,604
Labor and Health Insurance costs	31,677		32,058
Pension expense	14,341		14,355
Remuneration to directors	24,979		24,658
Other employment fees	<u>16,691</u>		<u>13,826</u>
	<u>\$ 444,723</u>		<u>\$ 401,501</u>

1. In accordance with the Articles of Incorporation of the Company, when the Company has a profit in a fiscal year, 0.3% to 0.5% of such profit shall be distributed as the employees' compensation; however, when the Company still has accumulated losses, amount still be reserved in advance to make up the losses. The remuneration to employees as stated in the preceding paragraph can be paid in cash or with stock dividends, and the object of distribution must include employees of the subordinate company that meet certain conditions.
2. For the years ended December 31, 2024 and 2023, employees' compensation was estimated at NT\$41,706 and NT\$22,831, respectively. The aforementioned amounts were estimated at 0.3% of the year's profitability and accounted for in salary expenses.

As for the employees' compensation for 2024, the actual amount allocated by the board of directors is consistent with the estimated amount and will be paid in cash.

Employees' compensation for 2023 as resolved by the board of directors was consistent with the amount of NT\$22,831 recognized in the 2023 financial statements and will be paid in cash.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the board of directors and the shareholders at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(XXXII) Income tax

1. Income tax expense:

(1) Components of Income tax expense:

	<u>2024</u>	<u>2023</u>
Current income tax:		
Income tax occurred in the current period	\$ -	\$ 49,728
Land value increment tax	-	4,738
Income tax imposed on undistributed earnings	168,701	-
Underestimation on income tax for prior years	<u>55</u>	<u>19,703</u>
Total income tax for current period	<u>168,756</u>	<u>74,169</u>
Deferred income tax:		
Land value increment tax - investment property	22,021	12,050
Origination and reversal of temporary differences	<u>105,303</u>	<u>1,533</u>
Total deferred income tax	<u>127,324</u>	<u>13,583</u>
Income tax expense	<u>\$ 296,080</u>	<u>\$ 87,752</u>

(2) The income tax direct (debit) credit relating to components of other comprehensive income is as follows:

	<u>2024</u>	<u>2023</u>
Changes in unrealized valuation (profit) loss	(\$ 84,798)	\$ 15,833
Portion of other comprehensive income from the subsidiaries and associates	(51,642)	94,448
Remeasurements of defined benefit obligation	<u>(4,072)</u>	<u>258</u>
	<u>(\$ 140,512)</u>	<u>\$ 110,539</u>

(3) The income tax direct (debit) credit equity is as follows:

	<u>2024</u>	<u>2023</u>
Capital surplus	<u>(\$ 1,288)</u>	<u>(\$ 1,682)</u>

2. Reconciliation between income tax expense and accounting profit

	<u>2024</u>	<u>2023</u>
Imputed income tax expenses on pre-tax income at statutory tax rate	\$ 2,772,049	\$ 1,517,474
Expenses to be excluded as stipulated in the tax law	20	157
Income with exemption from tax as stipulated in the tax law	(2,679,249)	(1,462,288)
Unrecognized deferred income tax assets on tax losses	13,520	-
Land value increment tax	22,021	16,788
Temporary differences on unrealized deferred income tax	(1,037)	(4,082)
Income tax imposed on undistributed earnings	168,701	-
Underestimation on income tax for prior years	55	19,703
Income tax expense	<u>\$ 296,080</u>	<u>\$ 87,752</u>

3. Amounts of deferred tax Assets or liabilities as a result of temporary difference are as follows:

	<u>2024</u>		<u>Recognized as other</u>		
	<u>January 1</u>	<u>Recognized in</u>	<u>comprehensive</u>	<u>Recognized in</u>	<u>December 31</u>
		<u>profit and loss</u>	<u>income</u>	<u>equity</u>	
Temporary differences:					
- Deferred income tax assets:					
Loss for market price decline and obsolete and slow-moving inventories	\$ 32,392	(\$ 5,020)	\$ -	\$ -	\$ 27,372
Impairment loss on non-current assets held for sale	-	1,761	-	-	1,761
Impairment loss on investment properties	44,598	(4,265)	-	-	40,333
Impairment loss on other assets	2,769	(2,431)	-	-	338
Allowance for bad debt exceeding the limits	567	111	-	-	678
Unrealized foreign exchange losses	30,957	(30,957)	-	-	-
Impairment loss using equity method	90,406	-	-	-	90,406
Domestic investment loss	75,708	(177)	-	-	75,531
Unrealized gains or losses among companies	194	(194)	-	-	-
Portion of other comprehensive income from the subsidiaries and associates	725,811	-	(51,300)	(66)	674,445
Remeasurements of defined benefit obligation	8,419	-	(4,072)	-	4,347
Subtotal	<u>1,011,821</u>	<u>(41,172)</u>	<u>(55,372)</u>	<u>(66)</u>	<u>915,211</u>
- Deferred income tax liabilities:					

	<u>2024</u>				
	<u>January 1</u>	<u>Recognized in profit and loss</u>	<u>Recognized as other comprehensive income</u>	<u>Recognized in equity</u>	<u>December 31</u>
	Foreign investment gain	793,251	(373)	-	-	792,878
Unrealized foreign exchange gains	-	567	-	-	567
Rental cost of investment property	56,543	1,723	-	-	58,266
Loss on write-off of investment properties	7	-	-	-	7
Fair value adjustment gain - investment building	80,807	(254)	-	-	80,553
Land value increment tax of investment property	286,980	22,021	-	-	309,001
Gains on Financial assets at fair value through profit or loss	124,388	62,468	-	-	186,856
Changes in unrealized valuation profit or loss	30,420	-	84,798	-	115,218
Portion of other comprehensive income from the subsidiaries and associates	43,692	-	342	1,222	45,256
Subtotal	<u>1,416,088</u>	<u>86,152</u>	<u>85,140</u>	<u>1,222</u>	<u>1,588,602</u>
Total	<u>(\$ 404,267)</u>	<u>(\$ 127,324)</u>	<u>(\$ 140,512)</u>	<u>(\$ 1,288)</u>	<u>(\$ 673,391)</u>

	<u>2023</u>				
	<u>January 1</u>	<u>Recognized in profit and loss</u>	<u>Recognized as other comprehensive income</u>	<u>Recognized in equity</u>	<u>December 31</u>
	Temporary differences:				
- Deferred income tax assets:					
Loss for market price decline and obsolete and slow-moving inventories	\$ 40,424	(\$ 8,032)	\$ -	\$ -	\$ 32,392
Impairment loss on fixed assets	26	(26)	-	-	-
Impairment loss on deferred expenses	3	(3)	-	-	-
Impairment loss on investment properties	48,900	(4,302)	-	-	44,598
Impairment loss on other assets	3,858	(1,089)	-	-	2,769
Allowance for bad debt exceeding the limits	689	(122)	-	-	567
Unrealized foreign exchange losses	39,455	(8,498)	-	-	30,957
Impairment loss using equity method	90,406	-	-	-	90,406
Domestic investment loss	77,146	(1,438)	-	-	75,708
Unrealized gains or losses among companies	405	(211)	-	-	194
Portion of other comprehensive income from the subsidiaries and associates	632,691	-	93,120	-	725,811
Remeasurements of defined benefit obligation	8,161	-	258	-	8,419
Subtotal	<u>942,164</u>	<u>(23,721)</u>	<u>93,378</u>	<u>-</u>	<u>1,011,821</u>
- Deferred income tax liabilities:					
Foreign investment gain	793,855	(604)	-	-	793,251
Rental cost of investment property	54,727	1,816	-	-	56,543
Loss on write-off of investment properties	3	4	-	-	7
Fair value adjustment gain - investment building	87,215	(6,408)	-	-	80,807
Land value increment tax of investment property	274,930	12,050	-	-	286,980
Gains on Financial assets at fair value through profit or loss	141,384	(16,996)	-	-	124,388
Changes in unrealized valuation profit or loss	46,253	-	(15,833)	-	30,420
Portion of other comprehensive income from the subsidiaries and associates	43,338	-	(1,328)	1,682	43,692
Subtotal	<u>1,441,705</u>	<u>(10,138)</u>	<u>(17,161)</u>	<u>1,682</u>	<u>1,416,088</u>
Total	<u>(\$ 499,541)</u>	<u>(\$ 13,583)</u>	<u>\$ 110,539</u>	<u>(\$ 1,682)</u>	<u>(\$ 404,267)</u>

4. The Company's accumulated deductible temporary difference of unrecognized deferred income tax:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Deductible temporary differences	(\$ <u>3,123</u>)	(\$ <u>3,636</u>)

5. The Company's income tax returns through 2022 have been assessed as approved by the Tax Authority.

(XXXIII) Earnings Per Share (EPS)

	<u>2024</u>	<u>Number of shares outstanding (thousand shares) at the end of the period</u>	<u>Earnings Per Share (EPS) (NT\$)</u>
	<u>After-tax amount</u>		
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders	\$ <u>13,564,168</u>	<u>1,043,663</u>	\$ <u>13.00</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders	\$ 13,564,168	1,043,663	
Dilutive potential ordinary shares effecting employee compensation	<u>-</u>	<u>650</u>	
Effects of the net income attributable to ordinary shareholders plus potential common stocks	<u>\$ 13,564,168</u>	<u>1,044,313</u>	<u>\$ 12.99</u>
	<u>2023</u>	<u>Number of shares outstanding (thousand shares) at the end of the period</u>	<u>Earnings Per Share (EPS) (NT\$)</u>
	<u>After-tax amount</u>		
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders	\$ <u>7,499,620</u>	<u>1,043,663</u>	\$ <u>7.19</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders	\$ 7,499,620	1,043,663	
Dilutive potential ordinary shares effecting employee compensation	<u>-</u>	<u>490</u>	
Effects of the net income attributable to ordinary shareholders plus potential common stocks	<u>\$ 7,499,620</u>	<u>1,044,153</u>	<u>\$ 7.18</u>

(XXXIV) Cash flow supplement information

1. Investing activities paid partially by cash:

	<u>2024</u>		<u>2023</u>
Acquisition of property, plant and equipment	\$	23,533	\$ 15,002
Add: Other payables at the beginning of the period - payable on equipment		1,456	1,009
Less: Other payables at the end of the period - payable on equipment	(	<u>2,736)</u>	(<u>1,456)</u>
Cash payments for current period	<u>\$</u>	<u>22,253</u>	<u>\$ 14,555</u>

	<u>2024</u>		<u>2023</u>
Purchase of Investment real estate	\$	-	\$ -
Add: Other payables at the beginning of the period-Others		-	149
Less: Other payables at the end of the period- Others	-	<u>-</u>	-
Cash payments for current period	<u>\$</u>	<u>-</u>	<u>\$ 149</u>

	<u>2024</u>		<u>2023</u>
Purchase of intangible assets	\$	1,820	\$ 1,049
Add: Other payables at the beginning of the period-Others		288	288
Less: Other payables at the end of the period- Others	(	<u>288)</u>	(<u>288)</u>
Cash payments for current period	<u>\$</u>	<u>1,820</u>	<u>\$ 1,049</u>

2. Investing activities received partially in cash:

	<u>2024</u>		<u>2023</u>
Disposal of real estate properties, plants and equipment	\$	31	\$ 11
Add: Gains on disposals of real estate, plants, and equipment		2,348	3,953
Less: Transfer from deferred income	(	967)	(1,057)
Add: Other receivables at the beginning of the period		6,627	4,426
Less: Other receivables at the end of the period	(	<u>1,354)</u>	(<u>6,627)</u>
Cash received during this period	<u>\$</u>	<u>6,685</u>	<u>\$ 706</u>

3. Operating and investing activities with no cash flow effects:

	<u>2024</u>	<u>2023</u>
Prepayments for business facilities reclassified to property, plant and equipment	\$ 7,977	\$ -
Property, plant and equipment reclassified to non-current assets held for sale	\$ 113,425	\$ -
Real estate, plant and equipment transferred to expenses	\$ -	\$ 65
(XXXV) Liabilities from financing activities		

	<u>2024</u>						
	Short-term borrowings	Short-term bills payable	Guarantee deposits received	Long-term borrowings (including due within one year and one operating cycle)	Lease liabilities (including those due within 1 year)	Total liabilities from financing activities	
January 1	\$ 350,000	\$ -	\$ 788,889	\$ 14,645,000	\$ 254,275	\$ 16,038,164	
Changes of the financing cash flows	(100,000)	-	71,168	(5,425,000)	(59,635)	(5,513,467)	
December 31	\$ 250,000	\$ -	\$ 860,057	\$ 9,220,000	\$ 194,640	\$ 10,524,697	

	<u>2023</u>						
	Short-term borrowings	Short-term bills payable	Guarantee deposits received	Long-term borrowings (including due within one year and one operating cycle)	Lease liabilities (including those due within 1 year)	Total liabilities from financing activities	
January 1	\$ 2,290,000	\$ 499,698	\$ 741,649	\$ 13,350,000	\$ 309,090	\$ 17,190,437	
Changes of the financing cash flows	(1,940,000)	(500,000)	47,240	1,295,000	(59,273)	(1,157,033)	
Addition-Newly added lease contracts	-	-	-	-	7,125	7,125	
Modifications to leases	-	-	-	-	(2,667)	(2,667)	
Other non-cash changes	-	302	-	-	-	302	
December 31	\$ 350,000	\$ -	\$ 788,889	\$ 14,645,000	\$ 254,275	\$ 16,038,164	

VII. Transactions with related parties

(I) Names of related parties and relationship

<u>Name of the related party</u>	<u>Relationship with the Company</u>
Shing Yen Construction & Development Co., Ltd.	Subsidiary of the Company
Gin-Hong Investment Co., Ltd.	Subsidiary of the Company
Kompass Global Sourcing Solutions Ltd. (Kompass)	Subsidiary of the Company
Shanghai Newzone Fashion Ltd. (Shanghai Newzone)	Sub-subsidiary of the Company
Ruentex Development Co., Ltd.	Associate (the investee company accounted for under the equity method by the Company)
Ruen Chen Investment Holdings Ltd.	Associate (the investee company accounted for under the equity method by the Company)
Ruen Fu Newlife Corp.	Associate (the investee company accounted for under the equity method by the Company)

<u>Name of the related party</u>	<u>Relationship with the Company</u>
Nan Shan Life Insurance Co., Ltd. (Nan Shan Life Insurance)	Associate (the investee company accounted for under the equity method by the Company)
Nan Shan General Insurance Co., Ltd.	Other related party (subordinate company of an investee accounted for under the equity method by the Company)
Ruentex Xu-Zhan Development co., Ltd.	Other related party (subordinate company of an investee accounted for under the equity method by the Company)
Ruentex Engineering & Construction Co., Ltd. (Ruentex Engineering & Construction)	Other related party (subordinate company of an investee accounted for under the equity method by the Company)
Ruentex Interior Design Inc.	Other related party (subordinate company of an investee accounted for under the equity method by the Company)
Ruen Yang Construction Co., Ltd.	Other related party (subordinate company of an investee accounted for under the equity method by the Company)
Huei Hong Investment Co., Ltd.	Other related party (the Company's juridical person director)
Chang Quan Investment Co., Ltd.	Other related party (the Company's representative of juridical person director is the representative of the juridical person director of the company)
Ruentex Property Management and Maintenance Co., Ltd.	Other related party (subordinate company of an investee accounted for under the equity method by the Company)
Ruen Hua Dyeing & Weaving Co., Ltd.	Other related party (the Company's representative of juridical person director is the representative of the juridical person director of the company)
Ruentex Xing Co. Ltd.	Other related party (the Company's juridical person director)
Ruentex Materials Co., Ltd.	Other related party (subordinate company of an investee accounted for under the equity method by the Company)
Ruentex Security Co., Ltd.	Other related party (subordinate company of an investee accounted for under the equity method by the Company)
Ruentex Construction & Development Co., Ltd.	Other related party (subordinate company of an investee accounted for under the equity method by the Company)
Ruentex Bai-Yi Development co., Ltd.	Other related party (subordinate company of an investee accounted for under the equity method by the Company)
Ruentex Construction & Engineering Co., Ltd.	Other related party (a member of the management of the subordinate company of an investee accounted for under the equity method by the Company is the representative of juridical person director of the company)
Shu-Tien Urology and Ophthalmology Clinic	Other related party (the Company's juridical person director)
Samuel Yen-Liang Yin	Other related party (the relative within the first degree of kinship of the representative of the juridical corporate director of the Company)
Hsu, Sheng-Yu	The Company's key management personnel
Hsu, Chih-Chang	The Company's key management personnel
TaiMed Biologics, Inc.	Other related party (the Company's representative of juridical person director is the representative of the juridical person director of the company)
OBI Pharma, Inc.	Other related party (the Company's substantial related party)
Sunny Friend Environmental Technology Co., Ltd.	Other related party (the Company's representative of juridical person director is the representative of the juridical person director of the company)
Tanvex BioPharma, Inc.	Other related party (the Company's substantial related party)

(II) Significant related party transactions and balances

1. Operating revenue

	<u>2024</u>	<u>2023</u>
Sale of goods:		
Subsidiaries		
-Kompass	\$ 39,280	\$ 45,188
Associates	1,735	1,133
Other related parties	8,367	7,509
Rental income:		
Other related parties		
-Ruentex Engineering & Construction	80,219	72,490
	<u>\$ 129,601</u>	<u>\$ 126,320</u>

(1) The Company leased the land in the Sihu Section in Yangmei, Taoyuan City, and four parcels of land in the Zhennan Section in Wuqi District, Taichung City, to other related parties under an operating lease. The negotiations between both parties determined the transaction prices and the payments were collected according to the contract timelines signed by both parties. The lease terms are from July 2017 to May 2040. The rents are reviewed and adjusted with the price index every year. The future minimum lease receivable for the irrevocable contract above is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Less than one years	\$ 72,282	\$ 74,899
More than one year and less than five years	271,818	248,586
More than 5 years	707,859	709,506
	<u>\$ 1,051,959</u>	<u>\$ 1,032,991</u>

(2) There is no significant difference in the Company's transaction prices and payment terms for goods sold between related parties and non-related parties.

2. Purchases of goods

	<u>2024</u>	<u>2023</u>
Purchase of goods:		
Subsidiaries	\$ -	\$ 3,609
Sub-subsidiary		
- Ruentex Industries Ltd. (Shanghai)	111,553	164,086
	<u>\$ 111,553</u>	<u>\$ 167,695</u>

There is no significant difference in the Company's transaction prices and payment terms for purchases of goods between related parties and non-related parties.

3. Receivables from related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable:		
Other related parties	\$ 49	\$ 840
Accounts receivable:		
Subsidiaries		
-Kompass	\$ 8,116	\$ 6,766
Associates	121	13
Other related parties	161	357
	<u>\$ 8,398</u>	<u>\$ 7,136</u>
Other receivables:		
Subsidiaries		
-Kompass	\$ 7,285	\$ 5,638
-Others	-	12
Associates		
-Nan Shan Life Insurance	4,545	4,545
-Others	91	649
Other related parties	191	1,552
	<u>\$ 12,112</u>	<u>\$ 12,396</u>

(1) Please refer to Note 6 (2) for the aging analysis of notes and accounts receivable.

(2) Other accounts receivable are mainly receivables from related parties for services, computer services, interest, etc.

4. Payables to related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes payable:		
Associates	\$ 34	\$ 30
Other related parties	397	347
	<u>\$ 431</u>	<u>\$ 377</u>
Accounts payable:		
Subsidiaries	\$ -	\$ 2,466
Sub-subsidiary		
- Ruentex Industries Ltd. (Shanghai)	9,146	7,084
Associates	759	8
	<u>\$ 9,905</u>	<u>\$ 9,558</u>

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other payables:		
Associates		
-Ruen Fu	\$ -	\$ 1,009
-Others	90	95
Other related parties	<u>479</u>	<u>437</u>
	<u>\$ 569</u>	<u>\$ 1,541</u>

Other payables are mainly payables to related parties for services, and insurance services.

5. Non-operating Income and Expenses

	<u>2024</u>	<u>2023</u>
Interest revenue:		
Associates	<u>\$ 8,750</u>	<u>\$ 8,750</u>
Dividend income:		
Other related parties		
-Ruentex Engineering & Construction	\$ 90,837	\$ 168,217
-Sunny Friend	11,184	17,325
-Others	<u>7,594</u>	<u>1,549</u>
	<u>\$ 109,615</u>	<u>\$ 187,091</u>
Other income:		
Subsidiaries		
-Kompass	\$ 29,226	\$ 24,523
-Others	449	766
Associates	7,364	7,369
Other related parties		
-Ruentex Engineering & Construction	5,236	5,212
-Others	<u>10,507</u>	<u>10,297</u>
	<u>\$ 52,782</u>	<u>\$ 48,167</u>

(1) Interest income is mainly generated from the financial assets measured at amortized costs.

(2) Dividend income is mainly generated from financial assets measured at fair value through other comprehensive income. In addition, some of the cash dividends were distributed as capital surplus from original capital contribution; please refer to Note 6(5) for details.

(3) Other income mainly refers to income from the computer services and management

services provided to related parties.

6. Property transactions

Acquisition and disposal of financial assets

Please refer to the description of Note 6(5) and 7.

7. Endorsements or Guarantees made by related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Key management personnel	<u>\$ 36,986,800</u>	<u>\$ 39,909,900</u>

8. Others

Please refer to Note 6(11) for details.

(III) Information on remuneration to key management personnel

	<u>2024</u>	<u>2023</u>
Wages and salaries and other short-term employee benefits	\$ 65,479	\$ 58,761
Post-employment benefits	<u>526</u>	<u>727</u>
Total	<u>\$ 66,005</u>	<u>\$ 59,488</u>

VIII. Pledged Assets

The Company's Assets pledged as collateral are as follows:

<u>Asset items</u>	<u>Carrying amount</u>		<u>For guarantee purpose</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	
Investments accounted for using the equity method	\$ 8,596,482	\$ 8,569,002	For mid- and long-term loans, short-term borrowings, and issue of commercial paper
Inventories	36,836	46,545	Mid- and long-term loans
Property, plant and equipment	915,797	926,993	Mid- and long-term loans
Financial assets at fair value through other comprehensive income - non-current	1,714,023	1,738,505	Mid- and long-term loans
Investment property	8,675,086	8,115,380	Mid- and long-term loans
Financial Assets at amortized cost- non-Current	67,800	4,272,468	For legal litigation, tariffs, bank secured loans, and short-term borrowings

IX. Significant contingent liabilities and unrecognized contractual commitments

Except for those mentioned in Notes 6(7), (9), (10), (17) and 7, there are other material contingent liabilities and unrecognized contractual commitments as follows:

1. In order to help solve the problem of insufficient school buildings in elementary schools in Hsinchu County, the Company signed a land exchange agreement with the Hsinchu County Government in February 2021 to exchange land lot 219 held in Taifeng Section, Xinfeng Township, Hsinchu County (accounted for under inventories - construction land) for the land in Pingding Section, Xinfeng Township, Hsinchu County, held by the Hsinchu County Government. As of February 2022, as the procedures had not been completed, the agreement was automatically canceled. In 2023, the Company signed a new land exchange agreement with the Hsinchu County Government. The agreement was resolved by the Board of Directors on July 10, 2024, and the land exchange contract was signed with the Hsinchu County Government on July 11, 2024 to settle matters related to the land exchange.

In December 2024, the Company, in accordance with the contract, paid the land value difference for the land exchange to the Hsinchu County Government and settled the land value increment tax for the land located at No. 219, Taifeng Section, Xinfeng Township, Hsinchu County. The aforementioned payments were recorded under prepayments as of December 31, 2024. The registration of the land exchange was completed on January 2, 2025.

2. In November 1998, the Company entered into a Commissioned Management and Procurement Agreement for the Zhonghe Store Hypermarket with RT-Mart International Ltd. Under this agreement, RT-Mart International Ltd. provides the Company with services related to hypermarket management and joint procurement. The contract, originally effective from November 1998, has been amended and extended multiple times by mutual agreement and is now valid until December 2028.

X. Significant Disaster Loss

None.

XI. Significant Subsequent Events

Except described in Notes 6(13), 6(22) and (31), there is no other subsequent event occurring.

XII. Others

(I) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return share

capital to shareholders, issue new shares or sell Assets in order to adjust to reach the most suitable capital structure. The Company uses the debt-to-capital ratio to monitor its capital, and such ratio is calculated by dividing the net debt by the total capital. The calculation of the net debt refers to total borrowings (including the “Current and non-Current borrowings” listed in the Parent Company Only balance sheet) with the deduction of cash and cash equivalents. The calculation of the total capital refers to the addition of the “equity” listed on the Parent Company Only balance sheet with the net debt.

The Company's strategy for 2024 remains the same as that for 2023. As of December 31, 2024 and 2023, the debt to total assets ratio was as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Total borrowings	\$ 9,470,000	\$ 14,995,000
Less: Cash and cash equivalents	(326,458)	(4,106,984)
Net debt	9,143,542	10,888,016
Total equity	<u>102,347,505</u>	<u>96,053,361</u>
Total capital	<u>\$ 111,491,047</u>	<u>\$ 106,941,377</u>
Debt-to-total-capital ratio	8.20%	10.18%

(II) Financial instruments

1. Type of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss - non-current	\$ 3,373,354	\$ 3,030,078
Financial assets at fair value through other comprehensive income acquired - non-Current	6,956,332	4,813,622
Financial assets at amortized cost		
Cash and cash equivalents	326,458	4,106,984
Notes receivable	2	287
Notes receivable - related parties	49	840
Accounts receivable	144,489	124,039
Accounts receivables - related parties	8,398	7,136
Other receivables	6,754	24,193
Other receivables - related parties	12,112	12,396
Financial Assets at amortized cost- non-Current	317,800	4,522,468
Refundable deposits (listed as other non-current assets)	<u>43,483</u>	<u>42,813</u>

	<u>\$ 11,189,231</u>	<u>\$ 16,684,856</u>
<u>Financial liabilities</u>		
Financial liabilities are carried at amortized cost		
Short-term borrowings	\$ 250,000	\$ 350,000
Notes payable	91,742	96,919
Notes payable - related parties	431	377
Accounts payable	192,171	195,008
Accounts payable - related parties	9,905	9,558
Other payables	294,381	271,768
Other Payable - Related Party	569	1,541
Long-term borrowings (including due within one year or one operating cycle)	9,220,000	14,645,000
Guarantee deposits received (listed as “other non-current liabilities”)	860,057	788,889
	<u>\$ 10,919,256</u>	<u>\$ 16,359,060</u>
Lease liabilities - current and non-current	<u>\$ 194,640</u>	<u>\$ 254,275</u>

2. Risk management policies

- (1) The Company’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (2) The risk management of the Company is executed by the financial department according to the policies approved by the board of directors, and cooperation with all operating units of the Company closely in order to be responsible for the identification, assessment and hedging of financial risks. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3. Significant financial risks and degrees of financial risks

(1) Market risk

Foreign exchange risk

- A. The Company holds several foreign operating institution investments, and its net asset bears the foreign exchange risk. In addition, the Company’s businesses involve some non-functional currency operations. The information on Assets and liabilities denominated in foreign currencies whose values would be affected by

the exchange rate fluctuations is as follow:

<u>December 31, 2024</u>							
<u>Financial assets</u>	<u>Foreign currency</u> <u>(thousands)</u>	<u>Exchange rate</u> (NT\$)	<u>Carrying amount</u>		<u>Sensitivity analysis</u>		<u>Effects on other</u> <u>comprehensive</u> <u>income</u>
					<u>Range of variation</u>	<u>Effects on profit</u> <u>and loss</u>	
<u>Monetary Items</u>							
USD:NTD	\$ 6,076	32.79	\$ 199,232	5%	\$ 9,962	\$ -	
CNY:NTD	1,057	4.478	4,733	5%	237	-	
<u>Non-monetary</u> <u>Items</u>							
USD:NTD	\$ 112,381	32.79	\$ 3,684,963	5%	\$ -	\$ 184,248	
<u>December 31, 2023</u>							
<u>Financial assets</u>	<u>Foreign currency</u> <u>(thousands)</u>	<u>Exchange rate</u> (NT\$)	<u>Carrying amount</u>		<u>Sensitivity analysis</u>		<u>Effects on other</u> <u>comprehensive</u> <u>income</u>
					<u>Range of variation</u>	<u>Effects on profit</u> <u>and loss</u>	
<u>Monetary Items</u>							
USD:NTD	\$ 194,850	30.71	\$ 5,983,844	5%	\$ 299,192	\$ -	
CNY:NTD	2,511	4.395	11,036	5%	552	-	
<u>Non-monetary</u> <u>Items</u>							
USD:NTD	\$ 91,118	30.71	\$ 2,798,230	5%	\$ -	\$ 139,912	

B. The total exchange gain or loss, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2024 and 2023, amounted to profit of NT\$71,427 and loss of NT\$74,869 respectively

Price risk

- A. The Company's debt and equity instruments exposed to price risk were the financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- B. The Company mainly invests in domestic or foreign equity instruments. The prices of equity instruments is affected by the uncertainty of the future value of investment subject matters. If the prices of these equity instruments had increased/decreased by 5% with all other variables held constant, gains or losses

on equity instruments at fair value through other comprehensive income and available-for-sale financial assets for 2024 and 2023 would have increased by NT\$347,817 and NT\$240,681.

- C. The Company has mostly invested in foreign debt instruments issued via privately offered fund, and the prices of such debt instruments would change due to the change of the future value of said instruments. If the prices of such debt instruments had increased/decreased by 5% with all other variables held constant, the net income after tax for 2024 and 2023 arising from gains or losses on debt instruments at fair value through profit or loss would increase or decrease by NT\$134,934 and NT\$121,203.

Cash flow and fair value interest rate risk

- A. The Company's interest rate risk arises from total borrowings with floating interest rates that expose the Company to cash flow interest rate risk. For the years ended December 31, 2024 and 2023, the Company's borrowings issued at variable rates were mostly denominated in the New Taiwan Dollar.
- B. The borrowing of the Company was measured at amortized cost, and re-pricing was performed according to the annual interest rate specified in the contract. Therefore, the Company is exposed to the risk of future market interest rate change.
- C. If interest rates on borrowings had been 0.5% higher or lower with all other variables held constant, profit after income tax for the years ended December 31, 2024 and 2023 would have increased/decreased NT\$37,880 and NT\$59,980, respectively, due to change of interest expenses of borrowings at variable interest rates.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. Credit risk arises from outstanding accounts receivable that counterparties fail to deliver in accordance with the payment terms, and overdue receivable (listed as "other non-current assets"), in the categories of financial assets measured at fair value through profit and loss, financial assets measured at fair value through other comprehensive income, and contractual cash flow measured at amortized cost.
- B. The Company established management of credit risk from the Company's perspective. For corresponding banks and financial institutions, it is set that only those with an independent credit rating equal to or higher than the investment grade can be accepted as trading counterparties. According to the internally

specified credit extension policy, before each operating entity and each new customer of the Company establish the terms for payment and goods delivery, it is necessary to perform management and credit risk analysis. The internal risk control considers the financial position, past experience and other factors in order to assess the credit quality of customers. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilization of credit limits is regularly monitored.

- C. The Company adopts IFRS 9 to provide preliminary assumption, and when the payment specified according to the contract term has exceeded 90 days, breach of contract is deemed to have occurred.
- D. The Company uses IFRS to provide the following assumptions, to determine if the credit risks of the financial instrument significantly increased since the initial recognition.
 - (A) When the contractual payments overdue from the payment terms for more than 30 days, it is deemed the credit risks of the financial instrument significantly increased since the initial recognition.
 - (B) With an external rating agency rated as investment grade at the balance sheet date, the financial asset will be regarded as having low credit risk.
- E. The indicators for determining the impairment of the debt instrument investment used by the Company is as the following:
 - (A) The possibilities that an issuer has a significant financial difficulty, or will become bankrupt or financial reorganized;
 - (B) Due to the financial difficulty of the issuer, such that the active market of the financial asset vanishes;
 - (C) An issuer delay or fail to repay the interests or principals;
 - (D) The unfavorable changes to the national or regional economic conditions leading to the default of an issuer.
- F. The Company classifies the accounts payable of customers according to the characteristics of customer type, and adopts the simplified method to use the loss rate method as the basis for estimating the expected credit loss.
- G. After the collection procedures, the financial assets amount that cannot be reasonably estimated will be written-off. However, the Company will continue to continue to pursue the legal right of recourse to protect the claims.
- H. The Company considers customers' past default records and actual financial position to adjust historical and real-time information to assess the default possibility and estimate loss allowance for accounts receivable (including related parties). As of December 31, 2024 and 2023, the loss rate methodology is as

follows:

<u>December 31, 2024</u>	<u>Not overdue</u>	<u>Past due 1-90 days</u>	<u>Past due 91 days and more</u>	<u>Each</u>	<u>Total</u>
Expected loss	0%~0.25%	1.48%	50%~100%	100%	
Total carrying amount (including related parties)	<u>\$ 136,732</u>	<u>\$ 16,739</u>	<u>\$ 293</u>	<u>\$ 4,088</u>	<u>\$ 157,852</u>
Allowance for losses	<u>\$ 336</u>	<u>\$ 248</u>	<u>\$ 293</u>	<u>\$ 4,088</u>	<u>\$ 4,965</u>
<u>December 31, 2023</u>	<u>Not overdue</u>	<u>Past due 1-90 days</u>	<u>Past due 91 days and more</u>	<u>Each</u>	<u>Total</u>
Expected loss	0%~0.01%	0.37%	50%~100%	100%	
Total carrying amount (including related parties)	<u>\$ 127,330</u>	<u>\$ 3,868</u>	<u>\$ 86</u>	<u>\$ 4,088</u>	<u>\$ 135,372</u>
Allowance for losses	<u>\$ 11</u>	<u>\$ 14</u>	<u>\$ 84</u>	<u>\$ 4,088</u>	<u>\$ 4,197</u>

I. The accounts receivable allowance loss change table under the simplified approach of the Company is as follows:

	<u>2024</u>	<u>2023</u>
	<u>Accounts receivable and overdue receivable</u>	<u>Accounts receivable and overdue receivable</u>
January 1	\$ 4,197	\$ 5,209
Provision of impairment loss	768	-
Amounts written off due to unable to recover	-	(33)
Gains on reversal of impairment loss	-	(979)
December 31	<u>\$ 4,965</u>	<u>\$ 4,197</u>

J. The financial assets measured by the amortized cost accounted for by the Company are time deposits as a pledge and subordinated bonds. Because the cooperating financial institutions' credit ratings are good, and the Company has conducted transactions with many financial institutions to diversify the credit risk, the probability of default is expected to be very low.

(3) Liquidity risk

A. The cash flow forecast of the Company is executed by the operating entity and

summarized by the financial department. The financial department monitors rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, in order to prevent the Company from breaching relevant borrowing limits or term. Such forecasts also consider the credit financing plan, credit terms compliance and the conformity with the financial ratio target specified in the internal balance sheet.

B. For the remaining cash held by the operating entity of the Company, when it exceeds the management needs of operating capital, the financial department invests the remaining capital in the saving deposit with interest, time deposit and repurchase agreements etc. The instruments selected have appropriate maturity date or sufficient liquidity in order to cope with the aforementioned forecasts and to provide sufficient movement level. As of December 31, 2024 and 2023, the Company's position held in money market were NT\$292,895 and NT\$3,179,571 respectively.

C. Detail of the loan credit not yet drawn down by the Company is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Due within one year	\$ 5,910,000	\$ 6,410,000
Due longer than one year	<u>23,850,000</u>	<u>23,000,000</u>
	<u>\$ 29,760,000</u>	<u>\$ 29,410,000</u>

D. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the following table are the contractual undiscounted cash flows:

Non-derivative financial liabilities:

December 31, 2024	<u>Within 1 year</u>	<u>Within 1-5 years</u>	<u>More than 5 years</u>
Short-term borrowings (Note)	\$ 253,775	\$ -	\$ -
Notes payable	91,742	-	-
Notes payable - related parties	431	-	-
Accounts payable	192,171	-	-
Accounts payable - related parties	9,905	-	-
Other payables	294,381	-	-
Other Payable - Related Party	569	-	-
Lease liabilities (Note)	50,779	70,225	82,646
Long-term borrowings (including due within one year or one operating cycle) (Note)	633,457	8,874,807	-

Non-derivative financial liabilities:

December 31, 2023	<u>Within 1 year</u>	<u>Within 1-5 years</u>	<u>More than 5 years</u>
Short-term borrowings (Note)	\$ 354,012	\$ -	\$ -
Notes payable	96,919	-	-
Notes payable - related parties	377	-	-
Accounts payable	195,008	-	-
Accounts payable - related parties	9,558	-	-
Other payables	271,768	-	-
Other Payable - Related Party	1,541	-	-
Lease liabilities (Note)	62,203	106,850	97,899
Long-term borrowings (including due within one year or one operating cycle) (Note)	862,650	14,165,027	-

Note: The amount includes the expected interest to be paid in the future.

E. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(III) Fair value information

1. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical Assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. It includes the fair value of the investment in stocks listed in TWSE and TPEX, and part of the investment in stocks listed in the emerging stock market.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. It includes the investment in stocks listed in the TWSE and TPEX via private placement, part of the investment in stocks listed in the emerging stock market, investment in equity instruments without an active market, private placement funds, investment properties and financial instruments not measured at fair value.

2. The carrying amounts of the Company's financial instruments not measured at fair value, including cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, other receivables, other financial assets recognized in other current assets and other non-current assets, long-term notes and accounts receivable, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, long-

term notes and accounts payable and other financial liabilities recognized in other non-current liabilities, are approximate to their fair values.

3. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the Assets and liabilities is as follows:

December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss - non-current				
- Foreign privately offered fund	\$ -	\$ -	\$ 3,373,354	\$ 3,373,354
Financial assets at fair value through other comprehensive income acquired - non-current				
Equity instrument investment				
- Domestic TWSE- and TPEX-listed stocks	\$ 6,662,490	\$ -	\$ -	\$ 6,662,490
- Domestic stocks listed in TPEX	-	-	198,200	198,200
- Domestic unlisted stocks	-	-	95,642	95,642
Subtotal	\$ 6,662,490	\$ -	\$ 293,842	\$ 6,956,332
Investment property (Note)	\$ -	\$ -	\$ 9,313,230	\$ 9,313,230
Total	\$ 6,662,490	\$ -	\$ 12,980,426	\$ 19,642,916
December 31, 2023				
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss - non-current				
- Foreign privately offered fund	\$ -	\$ -	\$ 3,030,078	\$ 3,030,078
Financial assets at fair value through other comprehensive income acquired - non-current				
Equity instrument investment				
- Domestic TWSE- and TPEX-listed stocks	\$ 4,658,974	\$ -	\$ -	\$ 4,658,974
- Domestic stocks listed in TPEX	-	-	53,490	53,490
- Domestic unlisted stocks	-	-	101,157	101,157
Subtotal	\$ 4,658,974	\$ -	\$ 154,647	\$ 4,813,621
Investment property (Note)	\$ -	\$ -	\$ 8,749,963	\$ 8,749,963
Total	\$ 4,658,974	\$ -	\$ 11,934,688	\$ 16,593,662

Note: Investment property subsequently measured at fair value

4. The methods and assumptions the Company used to measure fair value are as follows:

- (1) The Company used market quoted prices as fair values (that is, Level 1) of investment in stocks listed in TWSE and TPEX, and partial investment in stocks listed in the

emerging stock market, the quoted prices are the closing prices.

- (2) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the Parent Company Only balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
- (3) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (4) For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. Such type of valuation model is normally applied to derivative financial instruments. Certain inputs used in such type of valuation model are not observable at market, and the Company must make reasonable estimates based on its assumptions. For the impacts of non-market observable parameters on financial instrument valuation, please refer to Note 12(3)10 for details.
- (5) The fair value measurement of the Company's investment property measured at fair value is determined in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers." The fair value is calculated using the income approach, either through internal valuation or by engaging an independent external appraiser. The related assumptions and input values are as follows:
 - (A) Cash Flow: It is evaluated based on the existing lease contracts, local rents, or the rental trends of similar property in the market, excluding those that are too high or too low. If there is an end-of-period value, the present value of the end-of-period value may be added.
 - (B) Analysis Period: If there is no specific period for income, the analysis period should not exceed ten years in principle; if there is a specific period for income, it should be estimated based on the remaining period.
 - (C) Discount Rate: It is estimated with the risk premium approach at a certain interest rate, with the individual characteristics of investment property considered. The so-called constant interest rate refers to a benchmark that cannot be lower than the two-year postal time deposit small amount deposit flexible interest rate announced by Chunghwa Post Co., Ltd. plus 0.75 percentage points.

(D) Growth Rate: It is adjusted with reference to the average movement of the consumer price index over the past ten years.

(6) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the balance sheet date. The inputs and pricing information used during valuation are carefully assessed and adjusted based on Current market conditions.

(7) The Company includes credit risk valuation adjustment in the fair value calculation for financial instruments and non-financial instruments to reflect the counterparty credit risk and the credit quality of the Company.

5. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.

6. The following table shows the change of Level 3 for the years ended December 31, 2024 and 2023:

	<u>2024</u>		
	<u>Debt instruments at fair value through profit or loss</u>	<u>Equity instruments at fair value through other comprehensive income</u>	<u>Total</u>
January 1	\$ 3,030,078	\$ 154,647	\$ 3,184,725
Purchase for current period	30,938	240,000	270,938
Transfer out			
-Cost	-	(9,059)	(9,059)
-Adjustments for valuation	-	(44,431)	(44,431)
Adjustments for valuation	<u>312,338</u>	<u>(47,315)</u>	<u>265,023</u>
December 31	<u>\$ 3,373,354</u>	<u>\$ 293,842</u>	<u>\$ 3,667,196</u>

2023

	<u>Debt instruments at fair value through profit or loss</u>	<u>Equity instruments at fair value through other comprehensive income</u>	<u>Total</u>
January 1	\$ 3,092,072	\$ 127,238	\$ 3,219,310
Purchase for current period	22,984	-	22,984
Distribution of dividends at cost of investment	-	(954)	(954)
Decrease in the current period			
-Cost	-	(1,248)	(1,248)
-Adjustments for valuation	-	1,248	1,248
Adjustments for valuation	<u>(84,978)</u>	<u>28,363</u>	<u>(56,615)</u>
December 31	<u>\$ 3,030,078</u>	<u>\$ 154,647</u>	<u>\$ 3,184,725</u>

7. Please refer to Note 6(5) for the transfers at Level 3 during 2024 and 2023

8. For the valuation process of classifying fair values under Level 3 of the Company, the accounting department is responsible for performing the independent fair value verification of the financial asset. Through independent source information to allow the result to be close to the market status, confirming information source being independent, reliable, and consistent with other sources as well as representing the executable price. In addition, the valuation model is calibrated periodically, retroactive test is performed, the input values and data required for the valuation model is spaded and other necessary fair value adjustments are made, in order to ensure that the valuation result is reasonable. Investment properties are valued according to the valuation method and parameter assumptions announced by the Financial Supervisory Commission, or they are appraised by external appraisers.

9. The significant non-observable input value quantified information and significant non-observable input value change sensitivity analysis for the valuation model used in relation to the Level 3 fair value measurements are as follows:

	December 31, 2024	Valuation techniques	Significant unobservable inputs	Interval	Relationship between inputs and fair value
Investment property	<u>Fair value</u> \$ 4,245,438	The discounted cash flow method of the income approach	Long-term rental income growth rates and discount rates	Note 1	The higher the growth rate of long-term rental income, the higher the fair value; the higher the discount rate, the lower the fair value.
"	5,067,792	The method of land development analysis	Profit margin and overall capital interest rate	Note 2	As the profit margin decreases, the fair value is higher; as the overall capital interest rate increases, the fair value is lower

Non-derivative Equity Instrument:

	December 31, 2024	Valuation techniques	Significant unobservable inputs	Interval	Relationship between inputs and fair value
Shares of domestic TPEX-listed companies	<u>Fair value</u> 198,200	Market approach	The first quartile of equity-based multiples of comparable companies	2.42%	The higher the equity-based multiple, the higher the estimated fair value.
Domestic unlisted stocks	700	Asset-Based Approach	Not applicable	Not applicable	Not applicable
"	94,942	Market approach	Discount for lack of marketability	14.13%~21.04%	The higher the degree of lack of liquidity, the lower the fair value estimate
Foreign privately offered fund	3,373,354	Asset-Based Approach	Not applicable	Not applicable	Not applicable
	December 31, 2023	Valuation techniques	Significant unobservable inputs	Interval	Relationship between inputs and fair value
Investment property	<u>Fair value</u> \$ 3,974,093	The discounted cash flow method of the income approach	Long-term rental income growth rates and discount rates	Note 1	The higher the growth rate of long-term rental income, the higher the fair value; the higher the discount rate, the lower the fair value.
"	4,775,870	The method of land development analysis	Profit margin and overall capital interest rate	Note 2	As the profit margin decreases, the fair value is higher; as the overall capital interest rate increases, the fair value is lower
Non-derivative Equity Instrument:					
Shares of domestic TPEX-listed companies	53,490	Market approach	Discount for lack of marketability	3.48%	The higher the degree of lack of liquidity, the lower the fair value estimate
Domestic unlisted stocks	700	Asset-Based Approach	Not applicable	Not applicable	Not applicable
"	100,457	Market approach	Discount for lack of marketability	14.49%~20.89%	The higher the degree of lack of liquidity, the lower the fair value estimate
Foreign privately offered fund	3,030,078	Asset-Based Approach	Not applicable	Not applicable	Not applicable

Note 1: Please refer to Note 6(11) for the range of long-term rental income growth rates and the range of discount rates.

Note 2: Please refer to Note 6(11) for the profit margin and overall capital interest rate.

10. The Company carefully assesses and selects the valuation model and valuation parameters used; however, when different valuation model or valuation parameters are used, it may lead to different valuation result. For financial assets classified as Level 3, if there is a change in the valuation parameters, then the impact on profit or loss or other comprehensive income is as follows:

			<u>December 31, 2024</u>		<u>December 31, 2024</u>	
			<u>Recognized in profit and loss</u>		<u>Recognized as other</u>	
			<u>Favorable</u>	<u>Adverse</u>	<u>Favorable</u>	<u>Adverse</u>
	<u>Inputs</u>	<u>Changes</u>	<u>changes</u>	<u>changes</u>	<u>changes</u>	<u>changes</u>
Financial assets						
Equity Instrument	Lack of marketability					
	Marketability discount	±10%	\$ -	\$ -	\$ 29,384	(\$ 29,384)
Debt instrument	Lack of marketability					
	Marketability discount	±10%	\$ 337,335	(\$ 337,335)	\$ -	\$ -
			<u>December 31, 2023</u>		<u>December 31, 2023</u>	
			<u>Recognized in profit and loss</u>		<u>Recognized as other</u>	
			<u>Favorable</u>	<u>Adverse</u>	<u>Favorable</u>	<u>Adverse</u>
	<u>Inputs</u>	<u>Changes</u>	<u>changes</u>	<u>changes</u>	<u>changes</u>	<u>changes</u>
Financial assets						
Equity Instrument	Lack of marketability					
	Marketability discount	±10%	\$ -	\$ -	\$ 15,465	(\$ 15,465)
Debt instrument	Lack of marketability					
	Marketability discount	±10%	\$ 303,008	(\$ 303,008)	\$ -	\$ -

XIII. Separately Disclosed Items

(I) Significant transaction information

1. Loans to others: None.
2. Endorsement/guarantee provided for others: None.
3. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to Table 1.
4. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
5. Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.
7. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 2.

8. Accounts receivable from related parties of at least NT\$100 million or 20% of the paid-in capital: None.

9. Trading in derivative instruments undertaken during the reporting periods: None.

10. Significant transactions between the parent to subsidiary and between subsidiary during the reporting periods: Please refer to Table 3.

(II) Information on Investees

Names, locations and other information of investees (not including investees in China):
Please refer to Table 4.

(III) Information on Investments in China

1. Basic information: Please refer to Table 5.

2. Significant transactions that occur directly or indirectly through a business in a third region and investees in China: Please refer to Table 3.

(IV) Information on main investors

Information on main investors: Please refer to Table 6.

XIV. Information on Departments

Not applicable.

Ruentex Industries Ltd.
Statement of cash and cash equivalents
December 31, 2024

Unit: NT\$ thousands

Item	Summary	Amount
Cash on hand and revolving funds		\$ 4,081
Bank deposits		
- Checking deposits		29,482
- Demand deposits	Including USD 2,057 thousand, an exchange rate of 32.79 NTD to USD	127,954
	Including EUR 5 thousand, an exchange rate of 34.14 NTD to EUR	
	Including HKD 83 thousand, an exchange rate of 4.22 NTD to HKD	
	Including CNY 1,057 thousand, an exchange rate of 4.478 NTD to CNY	
Cash equivalents - Bonds under repurchase agreements	Interest rate from 0.78%~4.65%; period from December 27, 2024–January 3, 2025	164,941
		<u>\$ 326,458</u>

Ruentex Industries Ltd.
Statement of Inventories
December 31, 2024

Unit: NT\$ thousands

Item	Summary	Amount Cost	Net realisable value	Remark
Construction Business Department				
Construction land				
	Zhixing Section, Xizhi, New Taipei City	\$ 47,478	\$ 52,342	
	Taifeng Section, Xinfeng Township, Hsinchu County	46,545	173,299	Note
	Shui-liu-tung Section, Yangmei, Taoyuan City	619	11,897	
	Haitian Section, Tamsui, New Taipei City	2,709	463	
	Yonghe Section, Taitung City, Taitung County	36,845	75,049	
	Sanmin Section, Zhongli, Taoyuan City	87,428	87,428	
	Less: Allowance for valuation losses	(31,781)		
		189,843		
Textile Business Department				
	Raw materials	32,086	20,792	
	Supplies	153	-	
	Finished goods	54,712	44,736	
	Merchandise inventory	227,150	144,112	
	Less: Allowance for valuation losses	(104,461)		
		209,640		
Hypermarket Business Department				
	Work in process	1,234	1,585	
	Merchandise inventory	81,735	104,977	
	Less: Allowance for valuation losses	(623)		
		82,346		
Total inventories		<u>\$ 481,829</u>		

Note: Please refer to the “Note 8, Pledged Asset” for more details.

Ruentex Industries Ltd.
Statement of changes in financial assets measured at fair value through profit or loss - non-current
For the Year Ended December 31, 2024

Unit: NT\$ thousands

Name	Beginning balance		Increased in the current period		Decreased in the current period		Adjustments for	Ending balance		Provided as a guarantee or hedge	Remarks
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Amount	Number of shares	Amount		
MagiCapital Fund II, L.P.	-	\$ 253,556	-	\$ -	-	(\$ 8,112)	\$ 102,541	-	\$ 347,985	Nil	
HOPU USD MASTER FUND III, L.P.	-	2,776,522	-	39,050	-	-	209,797	-	3,025,369	Nil	
		<u>\$ 3,030,078</u>		<u>\$ 39,050</u>		<u>(\$ 8,112)</u>	<u>\$ 312,338</u>		<u>\$ 3,373,354</u>		

Ruentex Industries Ltd.
Statement of Changes in Financial Assets at FVTOCI - non-current
For the Year Ended December 31, 2024

Unit: NT\$ thousands

Name	Beginning balance		Increased in the current period		Decreased in the current period		Adjustments for valuation	Ending balance		Provided as a guarantee or hedge	Remarks
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount		Number of shares	Shareholding Percentage			Amount
Ruentex Materials Co., Ltd.	7,139,530	\$ 178,131	-	\$ -	-	\$ -	\$ 4,641	7,139,530	4.76%	\$ 182,772	Nil
OBI Pharma, Inc.	9,358,385	649,471	3,500,000	224,000	-	-	(121,256)	12,858,385	4.89%	752,215	Note 1 Note 2
Sunny Friend Environmental Technology Co., Ltd.	3,994,223	459,337	-	-	(	3,995)	(112,637)	3,994,223	3.07%	342,705	Note 1 Note 2
Tanvex BioPharma, Inc.	3,500,000	227,850	2,267,039	108,818	-	-	39,343	5,767,039	2.42%	376,011	Nil Note 2
TaiMed Biologics Inc.	10,261,408	841,436	648,820	53,204	-	-	43,641	10,910,228	4.00%	938,281	Note 1 Note 2
Brogent Technologies Inc.	3,230,310	368,255	-	-	(	1,615)	104,985	3,230,310	4.61%	471,625	Note 1 Note 2
Ruentex Engineering & Construction Co., Ltd.	16,821,685	1,934,494	6,728,674	-	-	-	1,586,285	23,550,359	9.10%	3,520,779	Nil
Save & Safe Corporation	4,267,233	81,120	-	-	-	-	(8,108)	4,267,233	2.51%	73,012	Nil
Huiyang Venture Capital Co., Ltd.	70,000	700	-	-	-	-	-	70,000	2.56%	700	Nil
Uni Airways Corporation	695,077	19,337	-	-	-	-	2,593	695,077	0.18%	21,930	Nil
Pacific Resources Corporation	7,886	-	-	-	-	-	-	7,886	1.05%	-	Nil
Ruentex Interior Design Inc.	333,773	53,490	-	-	(	51)	24,663	333,773	2.23%	78,102	Nil Note 2
AP BIOSCIENCES INC.	-	-	4,000,000	240,000	-	-	(41,800)	4,000,000	4.71%	198,200	Nil Note 2
		<u>\$ 4,813,621</u>		<u>\$ 626,022</u>		<u>(\$ 5,661)</u>	<u>\$ 1,522,350</u>			<u>\$ 6,956,332</u>	

Note 1: Please refer to the “Note 8, Pledged Asset” for more details.

Note 2: Please refer to 6(5) for the relevant information on the increases and decreases in the current period.

Ruentex Industries Ltd.
Statement of financial Assets at amortized cost - non-Current
For the Year Ended December 31, 2024

Unit: NT\$ thousands

Name	Beginning balance	Increased in the current period		Decreased in the current period		Ending balance	Provided as a guarantee		Remarks
	Number of shares	Carrying amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Carrying amount or hedge	
NTD time deposit certificate of SinoPac	-	\$ 43,000	-	\$ -	-	-	-	\$ 43,000	Note 1
NTD time deposit certificate of Land Bank of Taiwan	-	24,500	-	-	-	-	-	24,500	"
NTD time deposit certificate of Mega Bank	-	300	-	-	-	-	-	300	"
USD certificate of deposit of First Commercial Bank	-	1,869,417	-	-	(1,869,417)	-	-	-	"
USD certificate of deposit of Taishin International Bank	-	2,335,251	-	-	(2,335,251)	-	-	-	"
Subordinated debts of Nan Shan Life Insurance	250	250,000	-	-	-	-	250	250,000	Nil
		<u>\$ 4,522,468</u>		<u>\$ -</u>	<u>(\$ 4,204,668)</u>			<u>\$ 317,800</u>	

Note 1: Please refer to the "Note 8, Pledged Asset" for more details.

Ruentex Industries Ltd.
Statement of changes in investments accounted for using the equity method
For the Year Ended December 31, 2024

Unit: NT\$ thousands

Name	Beginning balance		Increased in the current period (Note 1)		Decrease in the current period		Adjustments to valuation using the equity method (Note 2)	Ending balance			Market price or net value of equity		Provided as a guarantee or hedge	Remarks
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	Shareholding Percentage	Amount	Unit price (NT\$)	Total amount		
Ruentex Development Co., Ltd.	730,987,807	\$ 21,810,583	-	\$ -	-	\$ -	\$ 1,518,022	730,987,807	25.70%	\$23,328,605	\$ 42.90	\$ 23,328,605	Note 3	
Nan Shan Life Insurance Co., Ltd.	29,487,699	733,831	1,871,733	-	-	-	26,408	31,359,432	0.21%	760,239	24.24	760,239	Nil	Note 4
Ruen Fu Newlife Corp. SHING YEN CONSTRUCTION DEVELOPMENT CO., LTD.	1,200,000	10,855	-	-	-	-	(1,313)	1,200,000	40.00%	9,542	7.95	9,542	Nil	
Kompass Global Sourcing Solutions Ltd.	4,263,708	58,945	1,442,261	-	-	-	4,917	5,705,969	100.00%	63,862	11.19	63,862	Nil	Note 5
Gin-Hong Investment Co., Ltd.	17,050,000	5,520	3,646,358	-	-	-	50,185	20,696,358	55.00%	55,705	2.69	55,705	Nil	Note 6
Ruen Chen Investment Holdings Ltd.	7,173,010,000	60,281,848	411,585,000	115,000	-	-	3,385,416	7,584,595,000	23.00%	63,782,264	8.41	63,782,264	Note 3	Note 7
Full Shine International Holdings Ltd.	19,500,000	1,708,038	-	-	-	-	272,161	19,500,000	100.00%	1,980,199	101.55	1,980,199	Nil	
Concord Greater China Limited	17,580,000	944,221	-	-	-	-	610,360	17,580,000	42.42%	1,554,581	88.43	1,554,581	Nil	Note 8
Gold Leaf International Group Co., Ltd.	500,000	9,082	-	-	-	-	679	500,000	100.00%	9,761	19.52	9,761	Nil	
East Capital International Limited	4,208,000	32,941	-	-	-	-	829	4,208,000	100.00%	33,770	8.03	33,770	Nil	
New Zone International Limited	13,792,000	103,948	-	-	-	-	2,705	13,792,000	100.00%	106,653	7.73	106,653	Nil	
Total		<u>\$ 85,991,644</u>		<u>\$ 115,000</u>		<u>\$ -</u>	<u>\$ 5,872,580</u>			<u>\$91,979,224</u>		<u>\$ 91,979,224</u>		

Ruentex Industries Ltd.
Statement of changes in investments accounted for using the equity method
For the Year Ended December 31, 2024

Unit: NT\$ thousands

Note 1: The increase during this period is a result of the capitalization of earnings and cash capital increase.

Note 2: The adjustments to valuation using the equity method include recognizing investment gains and losses on the investees, the recognition of adjustments to translation of foreign currency long-term investments, and the recognition of changes in the shareholders' equity of investees using the equity method.

Note 3: Please refer to the "Note 8, Pledged Asset" for more details.

Note 4: For information on the capitalization of retained earnings by Nan Shan Life Insurance Co., Ltd., please refer to Note 6(7)15.

Note 5: For information on the record date of the capitalization of retained earnings by Kompas Global Sourcing Solutions Ltd., please refer to Note 6(7)6.(2).

Note 6: For information on the record date of the capitalization of retained earnings by Gin-Hong Investment Co., Ltd., please refer to Note 6(7)6.(3).

Note 7: For information on the record date of the capitalization of retained earnings and the cash capital increase by Ruen Chen Investment Holdings Ltd., please refer to Note 6(7)12.

Note 8: For details regarding the buyback and cancellation of outstanding shares by Concord Greater China Limited, please refer to Note 6(7)6.(5).

Ruentex Industries Ltd.
Statement of changes in real estate, plant and equipment
For the Year Ended December 31, 2024

Unit: NT\$ thousands

Item	Beginning balance	Increase in the current period	Decrease in the current period	Transfer amount for current period	Ending balance	Provided as a guarantee or hedge	Remarks
Land	\$ 581,046	\$ -	\$ -	\$ -	\$ 581,046	Note	
Land improvements	-	-	-	-	-	Nil	
Buildings and structures	385,004	-	-	-	385,004	Note	
Machinery and equipment	110,119	636	(4,636)	5,727	111,846	Nil	
Transportation equipment	13,932	-	-	-	13,932	Nil	
Leased assets	24,515	-	-	-	24,515	Nil	
Leasehold Improvements	217,690	13,228	(6,300)	-	224,618	Nil	
Other equipment	830,894	9,669	(91,959)	(196,053)	552,551	Note	
	<u>\$ 2,163,200</u>	<u>\$ 23,533</u>	<u>(\$ 102,895)</u>	<u>(\$ 190,326)</u>	<u>\$ 1,893,512</u>		

Explanation: For more details in depreciation method and years of useful life for real estate, plant and equipment please refer to Note 4(16).

Note: Please refer to the “Note 8, Pledged Asset” for more details.

Ruentex Industries Ltd.
Statement of changes in accumulated depreciation of real estate, plant and equipment
For the Year Ended December 31, 2024

Unit: NT\$ thousands

Item	Beginning balance	Increased in the current period	Decreased in the current period	Transferred in the current period	Ending balance	Provided as a guarantee or hedge	Remark
Land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	-	Nil
Buildings and structures	182,294	11,196	-	-	193,490		Note
Machinery and equipment	85,837	7,629	(4,636)	-	88,830		Nil
Transportation equipment	10,256	808	-	-	11,064		Nil
Leased assets	24,515	-	-	-	24,515		Nil
Leasehold Improvements	211,189	8,965	(6,300)	-	213,854		Nil
Other equipment	627,445	6,724	(91,928)	(84,878)	457,363		Note
	<u>\$ 1,141,536</u>	<u>\$ 35,322</u>	<u>(\$ 102,864)</u>	<u>(\$ 84,878)</u>	<u>\$ 989,116</u>		

Explanation: For more details in depreciation method and years of useful life for real estate, plant and equipment please refer to Note 4(16).

Note: Please refer to the “Note 8, Pledged Asset” for more details.

Ruentex Industries Ltd.
Statement of Changes in Right-of-use Assets
For the Year Ended December 31, 2024

Unit: NT\$ thousands

Item	Beginning balance	Increased in the current period	Decreased in the current period	Transferred in the current period	Ending balance	Provided as a guarantee or hedge	Remarks
Cost:							
Buildings and structures	\$ 446,055	\$ -	\$ -	\$ -	\$ 446,055	Nil	
Accumulated depreciation:							
Buildings and structures	(197,609)	(59,664)	-	-	(257,273)	Nil	
Carrying amount	<u>\$ 248,446</u>	<u>(\$ 59,664)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,782</u>		

For the method of deprecation and useful years of right-of-use assets, please refer to Note 4(17).

Ruentex Industries Ltd.
Statement of changes in investment real estate
For the Year Ended December 31, 2024

Unit: NT\$ thousands

Subsequently measured at
fair value

<u>Item</u>	<u>Beginning balance</u>			<u>Increase (decrease) in the current period</u>			<u>Ending balance</u>			<u>Provided as a guarantee or hedge</u>	<u>Remark</u>
	<u>Initially recognized amount</u>	<u>Accumulated fair value changes</u>	<u>Total</u>	<u>Initially recognized amount</u>	<u>Accumulated fair value changes</u>	<u>Total</u>	<u>Initially recognized amount</u>	<u>Accumulated fair value changes</u>	<u>Total</u>		
Land	\$ 2,446,672	\$ 5,670,087	\$ 8,116,759	\$ -	\$ 564,539	\$ -	\$ 2,446,672	\$ 6,234,626	\$ 8,681,298	Note	
Buildings	229,567	403,637	633,204	-	(1,272)	-	229,567	402,365	631,932	Note	
Total	\$ 2,676,239	\$ 6,073,724	\$ 8,749,963	\$ -	\$ 563,267	\$ -	\$ 2,676,239	\$ 6,636,991	\$ 9,313,230		

Note 1: Please refer to Note 6(11) for the methods and major assumptions adopted in the fair value of investment property.

Note 2: The fair value of investment property has been measured by independent appraisers. Please refer to Note 6(11) for details.

Note: Please refer to the "Note 8, Pledged Asset" for more details.

Ruentex Industries Ltd.
Statement of short-term borrowings
December 31, 2024

Unit: NTS thousands

Types of borrowing	Creditor	Ending balance	Time-limit for contract	Interest rate range	Loan limit	Mortgage or guarantee	Remarks
Credit loan	Taiwan Cooperative Bank Daan Branch	<u>\$ 250,000</u>	2024.11.06~2025.11.06	1.78%	\$ 250,000	Nil	

Ruentex Industries Ltd.
Statement of long-term borrowings
December 31, 2024

Unit: NT\$ thousands

Creditor	Summary	Amount borrowed	Time-limit for contract	Interest Rate	Mortgage or guarantee	Remarks
Mega Bank Zhongxiao Branch	Secured loan	300,000	2024.08.07-2026.08.06	1.725%~2.090%	Four parcels of land in Xinfeng (Land Lot Numbers: 658, 661, 663, 665) were pledged and promissory notes totaling NT2,\$700,000 thousand.	Interest is paid monthly, with the principal repaid in full at maturity.
Bank of Taiwan Songshan Branch	"	1,700,000	2024.12.12-2026.12.12	"	Land and buildings in Zhongli were pledged, and promissory notes totaling NT\$2,000,000 thousand.	Interest is paid monthly, with the principal repaid in full at maturity.
Taiwan Cooperative Bank Daan Branch	"	445,000	2024.09.27-2026.09.27	"	Land and buildings of the Zhonghe Hypermarket were pledged, and promissory notes totaling NT\$1,606,800 thousand.	Interest is paid monthly, with the principal repaid in full at maturity.
Taiwan Cooperative Bank Daan Branch	"	500,000	2024.09.27-2026.09.27	"	3,780 thousand shares of Ruentex Development Co., Ltd. Stock were pledge and promissory notes totaling NT\$1,606,800 thousand.	Interest is paid monthly, with the principal repaid in full at maturity.
Da'an Branch, Hua Nan Commercial Bank	"	900,000	2023.06.26-2026.06.26	"	Construction Land-Located in Wuqi District, Taichung City, with joint promissory notes totaling NT\$1,200,000 thousand.	After the grace period, NT\$225 million will be repaid in equal installments every three months.
		3,845,000				
First Commercial Bank Dunhua Branch	Credit loan	800,000	2024.06.07-2026.06.07	1.725%~2.090%	Promissory note NT\$3,660,000 thousand	Interest is paid monthly, with the principal repaid in full at maturity.
Chang Hwa Bank	"	400,000	2024.12.06-2026.10.31	"	Promissory note NT\$2,420,000 thousand	Interest is paid monthly, with the principal repaid in full at maturity.
Chang Hwa Bank	"	175,000	2022.06.30-2025.06.30	"	Promissory note NT\$2,420,000 thousand	Interest is paid monthly, with the principal repaid in full at maturity.
CTBC Bank	"	850,000	2024.04.30-2026.04.30	"	Promissory note NT\$1,300,000 thousand	Interest is paid monthly, with the principal repaid in full at maturity.
Bank of Taiwan Songshan Branch	"	2,000,000	2024.09.13-2027.09.13	"	Promissory note NT\$2,000,000 thousand	After the grace period, NT\$500 million will be repaid in equal installments every six months.
Taiwan Cooperative Bank Daan Branch	"	300,000	2024.09.27-2026.09.27	"	Promissory note NT\$1,606,800 thousand	Interest is paid monthly, with the principal repaid in full at maturity.
Taishin Bank	"	300,000	2024.05.03-2026.05.03	"	Promissory note NT\$6,650,000 thousand	Interest is paid monthly, with the principal repaid in full at maturity.
Mizuho Bank, Ltd.	"	200,000	2024.12.15-2026.12.15	"	Promissory note NT\$2,500,000 thousand	Interest is paid monthly, with the principal repaid in full at maturity.
Bank of East Asia	"	150,000	2024.12.27-2026.12.27	"	Promissory note NT\$600,000	Interest is paid monthly, with the principal repaid in full at maturity.
DBS Bank	"	200,000	2024.12.17-2026.12.16	"	Promissory note NT\$1,000,000 thousand	Interest is paid monthly, with the principal repaid in full at maturity.
		5,375,000				
		9,220,000				
Less: Due within one year (Note)		(625,000)				

Ruentex Industries Ltd.
Statement of long-term borrowings
December 31, 2024

Unit: NTS thousands

Total	<u>\$ 8,595,000</u>
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Note: Including guaranteed loans of NT\$450,000 from Hua Nan Bank Daan Branch and credit loans of NT\$175,000 from Chang Hua Bank Dunhua Branch.

Ruentex Industries Ltd.
Statement of operating revenue
For the Year Ended December 31, 2024

Unit: NT\$ thousands

<u>Item</u>	<u>Summary</u>	<u>Amount</u> <u>Subtotal</u>	<u>Total</u>	<u>Remarks</u>
Revenue from contracts with customers - Revenue from sales of goods				
Textile segment		\$ 715,432		
Retail segment		516,740		
Hypermarket segment		<u>1,196,033</u>	\$ 2,428,205	
Rental income			<u>119,759</u>	
Subtotal			2,547,964	
Less: Sales returns and discounts			<u>(25,871)</u>	
			<u>\$ 2,522,093</u>	

Ruentex Industries Ltd.
Statement of operating costs
For the Year Ended December 31, 2024

Unit: NT\$ thousands

<u>Item</u>	<u>Amount</u>	<u>Total</u>	<u>Remark</u>
<u>Cost of sales of goods</u>			
<u>Cost of hypermarket</u>			
Beginning inventory	\$ 90,895		
Add: Purchases for current period	905,748		
Less: Loss on physical inventory	(2,196)		
Loss on inventory scrap	(3,672)		
Ending inventory	(82,969)		
Cost of purchase and sales	907,806		
Gain from price recovery of inventory	(181)		
loss on physical inventory	2,196		
Loss on inventory scrap	3,672	\$ 913,493	
<u>Textile and retail costs</u>			
<u>Textile cost</u>			
Raw material inventory, beginning of the period	20,345		
Add: Purchase of raw materials for the current period	38,192		
Less: Adjustment to raw materials during this period	(15)		
Raw material inventory, end of the period	(32,086)		
Raw materials consumed in the current period	26,436		
Supply inventory, beginning of the period	214		
Less: Supply inventory, end of the period	(153)		
Supplies consumed in the current period	61		
Production overheads	132,470		
Manufacturing cost	158,967		
Add: Finished goods inventory, beginning of the period	46,188		
Purchases in the current period	470,305		
Inventory adjustment credits	60		
Less: Loss on inventory scrap	(383)		
Finished goods inventory, end of the period	(54,712)		
Cost of production and sales	620,425		
Loss on market value decline of inventory	70		
Gain from price recovery of inventory	-		
Loss on inventory scrap	383		
Inventory adjustment credits	(60)	620,818	
<u>Retail cost</u>			
Merchandise, beginning of the period	240,000		
Add: Purchases for current period	196,057		
Inventory adjustment credits	-		
Less: Loss on inventory scrap of merchandise	(632)		
loss on physical inventory	(19)		
Reclassified to sales and administrative expenses	(3,217)		
Merchandise, end of the period	(227,150)		
Cost of purchase and sales	205,039		

Ruentex Industries Ltd.
Statement of operating costs
For the Year Ended December 31, 2024

Unit: NT\$ thousands

Gains on merchandise value recoveries	(24,987)	
Loss on inventory scrap of merchandise	632	
Inventory profit	-	
Inventory loss	19	<u>180,703</u>
Total operating cost		<u>\$ 1,715,014</u>

Ruentex Industries Ltd.
Statement of selling expenses
For the Year Ended December 31, 2024

Unit: NT\$ thousands

Item	Summary	Amount	Remarks
Wages and salaries		\$	175,418
Depreciations			77,720
Advertisement expense			49,472
Utilities expense			29,983
Other expense			245,331 Note
		<u>\$</u>	<u>577,924</u>

Note: The amount of the remaining items does not exceed 5% of the balance of the account.

Ruentex Industries Ltd.
Statement of administrative expenses
For the Year Ended December 31, 2024

Unit: NT\$ thousands

Item	Summary	Amount	Remarks
Wages and salaries		\$ 181,617	
Depreciations		17,266	
Other expense		65,482	Note
		<u>\$ 264,365</u>	

Note: The amount of the remaining items does not exceed 5% of the balance of the account.

Ruentex Industries Ltd.
Summary statement of current period employee benefits and depreciation expenses by function
For the Year Ended December 31, 2024

Unit: NT\$ thousands

Function	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Nature						
Employee benefit expense						
Wages and salaries	\$ -	\$ 357,035	\$ 357,035	\$ -	\$ 316,604	\$ 316,604
Labor and Health Insurance costs	-	31,677	31,677	-	32,058	32,058
Pension expense	-	14,341	14,341	-	14,355	14,355
Remuneration to directors	-	24,979	24,979	-	24,658	24,658
Other employee benefit expense	-	16,691	16,691	-	13,826	13,826
Depreciation expense	-	94,986	94,986	-	95,612	95,612

Notes:

1. The employees of the current year and the previous year are 478 and 493, respectively, and the directors not concurring employees are 6 and 6, respectively.

2. Shall the shares of the company listed and traded in TWSE or TPEx, the following information shall be disclosed:

(1) The averaged employees' benefit expenses of the year was NT\$889 (Total of employees' benefit expenses - total remunerations of directors of the year/ number of the employees - numbers of directors no concurring employees of the year).

The averaged employees' benefit expenses of the previous year was NT\$774 (Total of employees' benefit expenses - total remunerations of directors of the previous year/ number of the employees - numbers of directors no concurring employees of the previous year).

Ruentex Industries Ltd.
Summary statement of current period employee benefits and depreciation expenses by function
For the Year Ended December 31, 2024

Unit: NT\$ thousands

(2) The averaged employees' salary expenses of the year was NT\$756 (Total of salary expenses of the year/ number of the employees - numbers of directors no concurring employees of the year).

The averaged employees' salary expenses of the previous year was NT\$650 (Total of salary expenses of the previous year/ number of the employees - numbers of directors no concurring employees of the previous year).

(3) The average adjustment to employees' salary expenses was 10.20% (Average salary expenses of the year - average salary expenses of the previous year/ average salary expenses of the previous year).

(4) The Company established an Audit Committee on June 22, 2018, and dismissed the supervisors on the same day. The remuneration to the Audit Committee for this year is NT\$600, and NT\$660 for the previous year.

Ruentex Industries Ltd.
Statement of aggregate current-period employee benefits and depreciation expenses by function (continued)
For the Year Ended December 31, 2024

Unit: NT\$ thousands

(5) Salary and remuneration policy

A. The remuneration of the Company's directors is determined in accordance with the Company's Articles of Incorporation and with reference to the Company's operating performance and the general standards in the industry, while reviewed by the Remuneration Committee and submitted to the Board of directors for approval. An evaluation of directors' performance is conducted regularly every year. According to the Company's Regulations for Performance Assessment of the Board of Directors, the evaluation results will be reported to the board of directors as a reference for review and improvement and selection or nomination of directors or remuneration determination. The Company's operating goals, financial positions, and directors' responsibilities have been fully considered for the fixed compensation for serving as directors concurrently. In addition, the remuneration to directors is not distributed in accordance with the Company's Articles of Incorporation.

B. The compensation to the Presidents and Vice Presidents include salaries, bonuses, and employee remuneration, which is determined in accordance with the Company's human resources and salary policy and with reference to the Company's operating performance, their contribution to the Company, and the general standards in the industry, while reviewed by the Remuneration Committee and submitted to the Board of directors for approval.

C. The compensation to directors, Presidents, and Vice Presidents shall not only be based on the Company's operating performance while with reference to the general standards in the industry, but shall be adjusted based on the factors related to operating performance evaluation and possible future operational risks of the Company. Meanwhile, the Remuneration Committee of the Company regularly reviews and evaluates the policies, systems, standards, and structure of the compensation to directors and managers and submits suggestions to the board of directors so as to strike a balance between the Company's sustainable operation and risk control.

Ruentex Industries Ltd. and Subsidiaries
Securities held at the end of the period (not including investments in subsidiaries, associates and jointly controlled entities)
December 31, 2024

Table 1

Unit: NT\$ thousands
(Except as Otherwise Indicated)

Company holding the securities	Type and name of the securities (Note 1)	Relationship with the issuer of securities (Note 2)	Account recognized	Shares	End of the period		Remark (Note 4)	
					Carrying amount (Note 3)	Shareholding Percentage Fair value		
Ruentex Industries Ltd.	Magi Capital Fund II, L.P.	—	Financial assets at fair value through profit or loss - non-current	-	\$ 347,985	5.23	\$ 347,985	
	HOPU USD MASTER FUND III, L.P.	—	"	-	3,025,369	3.80	3,025,369	
	Shares of Ruentex Engineering & Construction Co., Ltd.	A subordinate company of the investee accounted for under the equity method	Financial Assets at FVTOCI - non-current	23,550,359	3,520,779	9.10	3,520,779	Note 14
	Shares of Save & Safe Corporation	—	"	4,267,233	73,012	2.51	73,012	
	Shares of Ruentex Interior Design Inc.	—	"	333,773	78,102	2.23	78,102	Note 12
	Shares of Huiyang Venture Capital Co., Ltd.	—	"	70,000	700	2.56	700	
	Shares of Uni Airways Corporation	—	"	695,077	21,930	0.18	21,930	
	Shares of Pacific Resources Corporation	—	"	7,886	-	1.05	-	
	Shares of Brogent Technologies Inc.	—	"	3,230,310	471,625	4.61	471,625	Note 8
	Shares of TaiMed Biologics	The Company's representative of the juridical person director is the representative of the juridical person director of the company	"	10,910,228	938,281	4.00	938,281	Notes 7 & 9
	Shares of OBI Pharma, Inc.	Substantive related party of the Company	"	12,858,385	752,215	4.89	752,215	Notes 5 & 13
	Shares of Sunny Friend Environmental Technology Co., Ltd.	The Company's representative of the juridical person director is the representative of the juridical person director of the company	"	3,994,233	342,705	3.07	342,705	Note 6
	Shares of AP Biosciences Inc.	—	"	4,000,000	198,200	4.71	198,200	Note 11
	Shares of Tanvex BioPharma, Inc.	The representative of the investee company accounted for using the equity method serves as the corporate director representative of that company.	"	5,767,039	376,011	2.42	376,011	Note 10
	Shares of Ruentex Materials Co., Ltd.	The Company is a juridical person director of the company.	"	7,139,530	182,772	4.76	182,772	
	Subordinated debts of Nan Shan Life Insurance	One of the Company's affiliates is a controlled company of the company.	Financial assets at amortized cost - non-current	-	250,000	-	250,000	
Gin-Hong Investment Co., Ltd.	Shares of Ruentex Industries Ltd.	The Company	Financial Assets at FVTOCI - non-current	36,593,388	2,649,361	3.31	2,649,361	
Concord Greater China Limited.	Shares of Sun Art Retail Group Ltd.	—	"	231,204,324	2,419,704	2.42	2,419,704	
Sinopac Global Investment Ltd.	Shares of OPKO Health Inc.(OPK)	—	"	4,571,665	220,360	0.67	220,360	
	Shares of Gogoro Inc.(GGR)	—	"	41,647	682	0.02	682	

Note 1: Securities indicated in the Table refer to shares, bonds, beneficiary certificates and securities derived from the items mentioned above within the scope of IFRS No.9.

Note 2: Not required to be filled in for the issuers of securities that are not related parties.

Note 3: Please fill in the value carried at adjusted fair value less accumulated impairment losses for those measured at fair value and the value varied at acquisition cost or amortized cost less accumulated impairment losses for those not measured at fair value.

Note 4: The securities listed that are limited to their use due to the provision of security, pledge loans or others in accordance with the contract shall indicate the number of shares provided for guarantee or pledge, the amount of guarantee or pledge and the limits on the use in the in the column of "Remarks".

Note 5: The provision of 8,000 thousand shares, a total of NTD 468,000 thousand was pledged to financial institutions for financing loans.

Note 6: The provision of 2,310 thousand shares, a total of NTD 198,198 thousand was pledged to financial institutions for financing loans.

Note 7: The provision of 6,700 thousand shares, a total of NTD 576,200 thousand was pledged to financial institutions for financing loans.

Note 8: The provision of 3,230 thousand shares, a total of NTD 471,625 thousand was pledged to financial institutions for financing loans.

Note 9: Please refer to Note 6(5) to the consolidated financial statements for information on the acquisition of TaiMed Biologics Inc.'s shares.

Note 10: Please refer to Note 6(5) to the consolidated financial statements for information on the acquisition of Tanvex BioPharma, Inc.'s shares.

Note 11: Please refer to Note 6(5) to the consolidated financial statements for information on the acquisition of AP Biosciences Inc.'s shares.

Note 12: Please refer to Note 6(5) to the consolidated financial statements for the capital increase of Ruentex Interior Design Inc.'s shares.

Note 13: Please refer to Note 6(5) to the consolidated financial statement for information on the acquisition of shares of Taiwan OBI Pharma, Inc.

Note 13: Please refer to Note 6(5) to the consolidated financial statement for information on the acquisition of shares of Ruentex Engineering & Construction Co., Ltd.

Ruentex Industries Ltd. and Subsidiaries

Total purchase from or sale to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

January 1 to December 31, 2024

Table 2

Unit: NT\$ thousands
(Except as Otherwise Indicated)

<u>The company making the purchase (sale) of goods</u>	<u>Name of counterparty</u>	<u>Relationship</u>	<u>Purchase (sale) of goods</u>	<u>Amount</u>	<u>Transaction conditions</u>		<u>Differences in transaction terms compared to third party transactions</u>		<u>Notes receivable/payable and accounts receivable/payable</u>		<u>Remark</u>
					<u>As a percentage of total purchases (sales) of goods</u>	<u>Credit period</u>	<u>And reason (Note 1)</u>		<u>Balance</u>	<u>As a percentage of notes receivable/payable and accounts receivable/payable (Note 4)</u>	
							<u>(Note 4)</u>	<u>Unit price</u>				Credit period
Ruentex Industries Ltd.	Ruentex Industries Limited Shanghai	Sub-subsidiary	Purchase of goods	111,553	6.03	Purchase of goods in line with general conditions	Same as general transactions	Same as general transactions (\$	9,146)	3.11	(Note 2)

Note 1: If the terms and conditions of transaction with the related parties are different from the general terms and conditions of transaction, the difference and the reason for any such difference shall be specified in the column of unit price and the credit period.

Note 2: In the case of prepayments in advance (or advance receipts), the reasons, the terms and conditions of the contract, the amount and the difference between the general type of transactions shall be specified in the column of Remarks.

Note 3: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Note 4: Calculate from the perspective of the entity of the company making the purchase (sale) of goods.

Ruentex Industries Ltd. and Subsidiaries

Business relationships and significant intercompany transactions and amount between a parent and its subsidiary company, or between its subsidiaries

January 1 to December 31, 2024

Table 3

Unit: NT\$ thousands

(Except as Otherwise Indicated)

No.	Name of the transaction party	Transaction counterparty	Relationship with the transaction party (Note 2)	Account	Transaction information		
					Amount	Terms and conditions of transaction Note 4	As a percentage of the consolidated total operating revenue or total assets (Note 3)
(Note 1) 0	Ruentex Industries Ltd.	Kompass Global Sourcing Solutions Ltd.	1	Sales revenue	\$ 39,280	Note 4	1.36
"	"	"	1	Other income	29,226	"	1.01
1	Ruentex Industries Limited Shanghai	Ruentex Industries Ltd.	2	Sales revenue	111,553	"	3.86

Note 1: The information about business transactions between the parent and the subsidiary shall be indicated in the column of No. respectively. Details on how to filled in No. are as follows:

(1) Please fill in "0" for the parent.

(2) Please fill in the Arabic numeral sequentially numbered starting from 1 for the subsidiaries according to the company type.

Note 2: There are three types of the relationship with the transaction party as follows. Please indicate the type only (In the case of the same transaction between the parent or subsidiaries, or between its subsidiaries, duplicate disclosure is not required. For example, in the case of the transaction between the parent or its subsidiary, if the parent has disclosed the information, the subsidiary does not require making a duplicate disclosure;

In the case of the transaction between the subsidiaries, if one of the subsidiaries has disclosed the information, the other subsidiary does not require making a duplicate disclosure.):

(1) Parent and its subsidiary

(2) Subsidiary and its parent

(3) Subsidiary and the other subsidiary

Note 3: The transaction amount as a percentage of the consolidated total operating revenue or total assets shall be calculated at the balance at the end of period as a percentage of the consolidated total assets for assets or liabilities items, and the interim cumulative amount as a percentage of the consolidated total operating revenue for profits or losses items.

Note 4: The price shall be set according to negotiations between the two parties.

Note 5: Transactions amounting to NT\$10,000 shall be disclosed. The information shall be also disclosed from the asset side and revenue side.

Ruentex Industries Ltd. and Subsidiaries

The name of the invested company, the location and other relevant information (excluding the invested companies in China)

January 1 to December 31, 2024

Table 4

Unit: NT\$ thousands
(Except as Otherwise Indicated)

Name of the investing company	Name of the investee company	Location	Main business items	Original investment amount		Shares	Holding at the end of period		Current profit and loss of the investee company	Gains and losses on investment recognized for the current period	Remark
				End of the current period	End of last year		Percentage	Carrying amount			
Ruentex Industries Ltd.	Ruentex Development Co., Ltd.	Taiwan	Congregate housing and commercial building rental and sale and operation of department store business	\$ 4,967,308	\$ 4,967,308	730,987,807	25.70	\$ 23,328,605	\$ 15,153,038	\$ 3,894,452	The investee company accounted for under the equity method (Note 1)
Ruentex Industries Ltd.	Nan Shan Life Insurance Co., Ltd.	Taiwan	Personal insurances, including life insurance, health insurance, damage insurance or annuity.	436,800	436,800	31,359,432	0.21	760,239	42,455,945	90,559	The investee company accounted for under the equity method (Note 7)
Ruentex Industries Ltd.	Ruen Fu Newlife Corp.	Taiwan	Senior Citizen's housing and buildings general affairs administration	74,785	74,785	1,200,000	40.00	9,542	(4,932)	(1,973)	The investee company accounted for using the equity method
Ruentex Industries Ltd.	SHING YEN CONSTRUCTION DEVELOPMENT CO., LTD.	Taiwan	Construction Business	1,024,200	1,024,200	28,783,037	50.94	294,043	(840)	139	Subsidiary of the Company
Ruentex Industries Ltd.	Kompass Global Sourcing Solutions Ltd.	Taiwan	International Trade	173,800	173,800	5,705,969	100.00	63,862	4,917	4,917	Subsidiary of the Company (Note 5)
Ruentex Industries Ltd.	Gin-Hong Investment Co., Ltd.	Taiwan	General investment	170,500	170,500	20,696,358	55.00	55,705	91,246	(131)	Subsidiary of the Company (Note 4)
Ruentex Industries Ltd.	Ruen Chen Investment Holdings Ltd.	Taiwan	General investment	17,999,800	17,884,800	7,584,595,000	23.00	63,782,264	37,964,929	8,731,934	The investee company accounted for using the equity method (Notes 2 and 6)
Ruentex Industries Ltd.	Full Shine International Holdings Ltd.	British Virgin Islands (BVI)	General investment	536,074	536,074	19,500,000	100.00	1,980,199	2,432	78,083	Subsidiary of the Company
Ruentex Industries Ltd.	Concord Greater China Limited.	British Virgin Islands (BVI)	General investment	672,764	672,764	17,580,000	42.42	1,554,581	221,840	94,078	Subsidiary of the Company (Note 3)
Ruentex Industries Ltd.	Gold Leaf International Group Co., Ltd.	British Virgin Islands (BVI)	International Trade	17,223	17,223	500,000	100.00	9,761	63	63	Subsidiary of the Company
Ruentex Industries Ltd.	East Capital International Limited.	British Virgin Islands (BVI)	General investment	137,423	137,423	4,208,000	100.00	33,770	(507)	(507)	Subsidiary of the Company
Ruentex Industries Ltd.	New Zone International Limited.	Samoan Islands	General investment	438,416	438,416	13,792,000	100.00	106,653	(1,359)	(1,359)	Subsidiary of the Company
Full Shine International Holdings Ltd.	Sinopac Global Investment Ltd.	Cayman Islands	General investment	627,608	627,608	19,500,000	49.06	981,465	79,404	38,953	Sub-subsidiary of the Company
Sinopac Global Investment Ltd.	Concord Greater China Limited.	British Virgin Islands (BVI)	General investment	807,135	807,135	6,452,000	15.57	570,544	221,841	34,527	Subsidiary of the Company (Note 3)

Note 1: The provision of 81,180 thousand shares, a total of NT\$2,590,763 thousand was pledged to financial institutions for financing loans

Note 2: The provision of 714,163 thousand shares, a total of NT\$6,005,719 thousand was pledged to financial institutions for financing loans

Note 3: Please refer to Note 4(3)2. for details of the shares repurchased by Concord Greater China Limited.

Note 4: The record date of capital increase from earnings of Gin-Hong Investment Co., Ltd. was June 8, 2024.

Note 5: The record date of capitalization of earnings of Kompass was September 25, 2024.

Note 6: The record date of capital increase from earning of Ruen Chen Investment Holdings Ltd. was August 20, 2024. The record date of cash capital increase was on December 12, 2024.

Note 7: The record date of capital increase from earnings of Nan Shan Life Insurance Co., Ltd. was September 4, 2024.

Ruentex Industries Ltd. and Subsidiaries

Information of investments in mainland China-Basic information

January 1 to December 31, 2024

Table 5

Unit: NT\$ thousands

(Except as Otherwise Indicated)

Name of the invested companies in China	Main business items	Paid-in capital	Investment method	The accumulated	The investment	Remit back	The accumulated	Current profit and loss of the investee company	Shareholding	Gains and losses on investment recognized for the current period	Carrying amount of investments at the end for the period	Investment income	Remark
				amount remitted from Taiwan to invest in China at the beginning of the current period	amount remitted out or back for the current period		percentage of direct or indirect investment by the Company		remitted back by the end of the current period				
Ruentex Industries Limited Shanghai	Production and sales of garment products	\$ 583,662	Note 1	\$ 583,662	\$ -	\$ -	\$ 583,662	(\$ 1,676)	100.00	(\$ 1,676)	\$ 135,270	\$ -	Note 2(2)2
		(USD 17,800)		(USD 17,800)			(USD 17,800)						, Note 4

Note 1: The investment method is the subsidiary directly entering into China to make an investment.

(1) In the case of preparation where no gain or loss on investment has occurred, please specify.

(2) The basis for recognition of gains and losses on investment is divided into the following three categories, which should be specified.

1. The financial reports audited by an international accounting firm having a business cooperation relationship with an ROC accounting firm.
2. The financial reports audited by a certified public accountant of the parent in Taiwan.
3. Other financial statements that have not been audited by a certified public accountant during the same period

Note 3: The relevant figures in this table shall be presented in New Taiwan Dollars. If any relevant figures involve foreign currencies, they shall be converted to New Taiwan dollars at the exchange rate on the financial reporting date.

Note 4: The consolidated shareholding percentage of the Company and its subsidiaries.

Note 5: The profit or loss on the investee for the current period and the carrying amounts of the investments at the end of the period shall be added up first and then converted into US dollars before converted into New Taiwan dollars at the exchange rate.

The accumulated amount remitted from Taiwan to invest in China at the end of the current period	The investment amount approved by the Investment Board, Ministry of Economic Affairs	The investment limit approved by the Investment Board, Ministry of Economic Affairs
2,047,931	2,123,808	\$ 63,138,182
(USD 59,645 thousand) (EUR 2,700,000)	(USD 64,770 thousand)	

Note 1: According to the limit set out in the "Principles for the review of investment or technical cooperation in China" of the Investment Commission, Ministry of Economic Affairs, the current limit is 60% of a company's net worth.

Note 2: If any foreign currency is involved in the figures related to the Table, it shall be converted to New Taiwan dollars at the exchange rate on the financial reporting date.

Ruentex Industries Ltd. and Subsidiaries

Information on main investors

December 31, 2024

Table 6

	<u>Name of Major Shareholders</u>	<u>Number of shares held</u>	<u>Shares</u>	<u>Shareholding Percentage</u>	
Ruentex Development Co., Ltd.		157,697,626			14.28