

Ruentex Industries Ltd. and Subsidiaries
Consolidated Financial Statements and Report of
Independent Accountants
Q1 of 2024 and 2023
(Stock Code: 2915)

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Ruentex Industries Ltd. and Subsidiaries
Consolidated Financial Statements and Report of Independent Accountants for Q1 of
2024 and 2023
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Report of Independent Accountants

(113) Cai-Shen-Bao-Zi No. 24000455

To Ruentex Industries Ltd.:

Foreword

We have audited the consolidated balance sheets of Ruentex Industries Ltd. and its subsidiaries as of March 31, 2024 and 2023, the consolidated comprehensive income statements, equity statements and cash flow statements for the periods from January 1 to March 31, 2024 and 2023, and the notes to the consolidated financial statements (including a summary of significant accounting policies). It is the responsibility of the management to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued by the Financial Supervisory Commission. It is our responsibility to draw a conclusion on the consolidated financial statements based on the review results.

Scope

In addition to those stated in the Basis for Qualified Conclusion paragraph, we conducted the review in accordance with the R.O.C. Standards on Review Engagements 2410 "Reviews of Financial Statements." The procedures executed in reviewing the consolidated financial statements include inquiry (mainly with the person in charge of financial and accounting affairs), analytical procedures, and other review procedures. The scope of a review is significantly smaller than the scope of an audit. We therefore are unable to express an audit opinion since we may not be able to identify all the significant matters that can be identified by an audit.

Basis for Qualified Conclusion

As mentioned in Note 4(3) to the consolidated financial statements, the financial statements of some non-material subsidiaries for the same period included in the above consolidated financial statements have not been reviewed by CPAs. As of March 31, 2024 and 2023, their total assets amounted to NT\$5,585,554 thousand and NT\$6,875,127 thousand, respectively, or 4.842% and 6.243% of consolidated total assets; their total liabilities were NT\$35,573 thousand and NT\$58,449 thousand, respectively, or 0.356% and 0.295% of consolidated total liabilities; their total comprehensive income for the periods

from January 1 to March 31, 2024 and 2023 was NT\$156,932 thousand and NT\$595,403 thousand, respectively, or 2.172% and 7.432% of consolidated total comprehensive income. The amounts listed in the financial statements of some of Ruentex Industries Ltd.'s investees accounted for under equity method were based on the financial statements prepared by the respective investees for the same period that were not CPA-reviewed. The balance of relevant investments accounted for under equity method as of March 31, 2024 and 2023 was NT\$10,150 thousand and NT\$657 thousand, respectively, or 0.009% and 0.001% of consolidated total assets. Share of other comprehensive income of associates and joint ventures accounted for under equity method and total other comprehensive income were NT\$705 thousand and NT\$2,012 thousand for the periods from January 1 to March 31, 2024 and 2023, respectively, constituting 0.010% and 0.025% of total consolidated comprehensive income.

Qualified Conclusion

Based on our review results, the financial statements of some non-material subsidiaries and investees accounted for under the equity method mentioned in the Basis for Qualified Conclusion paragraph might have caused an impact on the consolidated financial statements that requires an adjustment if they were reviewed by CPAs. We found that the above consolidated financial statements were prepared in all material respects in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued by the Financial Supervisory Commission and present fairly the consolidated financial position of Ruentex Industries Ltd. and its subsidiaries as of March 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flows for the periods from January 1 to March 31, 2024 and 2023.

Shu-chiung Chang

CPA

Ming-chuan 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.
1050029449

May 13, 2024

Ruentex Industries Ltd. and Subsidiaries
Consolidated Balance Sheet
March 31, 2024 and December 31 and March 31, 2023

Unit: NT\$ thousands

			March 31, 2024		December 31, 2023		March 31, 2023				
Assets			Notes	Amount	%	Amount	%	Amount	%		
Current Assets											
1100	Cash and cash equivalents	6(1)	\$	3,665,477	3	\$	7,248,962	6	\$	9,528,051	9
1136	Financial assets measured by	6(6)									
	amortized cost - current			22,246	-		30,220	-		-	-
1150	Net bills receivable	6(2)		189	-		319	-		561	-
1160	Bills receivable - related	6(2) and 7									
	parties - net			884	-		840	-		815	-
1170	Net Accounts Receivable	6(2) and 12									
		(2)		171,810	-		155,839	-		215,698	-
1180	Accounts receivable - related	6(2), 7 and									
	parties - net	12(2)		2,461	-		1,220	-		2,381	-
1200	Other receivables			15,381	-		33,454	-		81,290	-
1210	Other Receivables - related	7									
	party			8,709	-		6,746	-		8,719	-
1220	Current tax assets			1,499	-		-	-		11,297	-
130X	Inventories	6(3) and 8		493,676	1		512,752	1		509,904	-
1410	Prepayments			26,759	-		20,669	-		53,460	-
1470	Other Current Assets			888	-		571	-		920	-
11XX	Total current assets			4,409,979	4		8,011,592	7		10,413,096	9
Non-current assets											
1510	Financial assets at fair value	6(4)									
	through profit or loss - non-										
	current			3,037,463	3		3,030,078	3		3,084,109	3
1517	Financial assets at fair value	6(5), 7 and									
	through other comprehensive	8									
	income - non-current			7,060,854	6		6,301,163	5		7,922,588	7
1535	Amortized cost financial	6(6) and 8									
	Assets - non-Current			317,800	-		4,522,468	4		4,964,673	5
1550	Investments accounted for	6(7), 7 and									
	using equity method	8		89,194,697	77		82,837,117	71		72,716,695	66
1600	Property, plant, and equipment	6(8) and 8		1,379,216	1		1,378,709	1		1,402,594	1
1755	Right-of-use assets	6(9)		87,671	-		100,580	-		134,440	-
1760	Net value of investment	6(3)(11)									
	properties	and 8		8,801,563	8		8,801,563	8		8,557,513	8
1780	Intangible Assets	6(12)		683	-		862	-		1,086	-
1840	Deferred tax Assets			984,402	1		1,011,821	1		859,154	1
1900	Other non-current Assets	6(13)		75,172	-		74,272	-		71,448	-
15XX	Total non-current assets			110,939,521	96		108,058,633	93		99,714,300	91
1XXX	Total Assets		\$	115,349,500	100	\$	116,070,225	100	\$	110,127,396	100

(Continued)

Ruentex Industries Ltd. and Subsidiaries
Consolidated Balance Sheet
March 31, 2024 and December 31 and March 31, 2023

Unit: NT\$ thousands

Liabilities and Equity			M a r c h 3 1 , 2 0 2 4		D e c e m b e r 3 1 , 2 0 2 3		M a r c h 3 1 , 2 0 2 3	
			A m o u n t	%	A m o u n t	%	A m o u n t	%
Current liabilities								
2100	Short-term borrowings	6(14) and 8	\$ 750,000	1	\$ 350,000	-	\$ 790,000	1
2130	Contract liabilities - current	6(23)	31,737	-	35,563	-	29,145	-
2150	Notes payable		123,735	-	97,385	-	122,078	-
2160	Notes payable - related party	7	32	-	388	-	32	-
2170	Accounts Payable		197,062	-	203,800	-	227,392	-
2180	Accounts payable - related party	7	29	-	8	-	17	-
2200	Other payables	6(15)	190,299	-	277,149	-	191,072	-
2220	Other Payable - Related Party	7	356	-	2,165	-	210	-
2230	Income tax liabilities of current period		594	-	594	-	678,315	1
2280	Lease liabilities - current	6(9)	47,628	-	51,390	-	52,168	-
2320	Long-term liabilities due within one year or one operating cycle	6(16) and 8	600,000	1	850,000	1	2,525,000	2
2399	Other current liabilities - other		12,019	-	11,595	-	13,648	-
21XX	Total Current Liabilities		1,953,491	2	1,880,037	1	4,629,077	4
Non-current liabilities								
2540	Long-term borrowings	6(16) and 8	5,745,000	5	13,795,000	12	12,895,000	12
2570	Deferred income tax liabilities		1,462,469	1	1,434,108	1	1,484,550	1
2580	Lease liabilities - non-current	6(9)	41,216	-	50,489	-	83,821	-
2600	Other non-Current liabilities	6(17)	803,070	1	790,761	1	745,148	1
25XX	Total Non-Current Liabilities		8,051,755	7	16,070,358	14	15,208,519	14
2XXX	Total Liabilities		10,005,246	9	17,950,395	15	19,837,596	18
Equity								
Equity attributed to owners of the parent								
3110	Share capital	6(19)	11,043,188	10	11,043,188	9	11,043,188	10
3200	Capital surplus	6(20)	28,171,245	24	28,171,512	24	28,090,872	26
	Retained earnings	6(21)						
3310	Legal reserve		3,780,852	3	3,780,852	3	4,601,302	4
3320	Special reserve		76,379,565	66	76,379,565	66	13,067,008	12
3350	Undistributed earnings		11,841,489	10	7,373,600	6	64,843,077	59
3400	Other equities	6(22)	(27,523,513)	(24)	(30,142,877)	(25)	(33,735,824)	(31)
3500	Treasury stock	6(19)	(552,479)	-	(552,479)	-	(552,479)	(1)
31XX	Total equity attributable to owners of parent		103,140,347	89	96,053,361	83	87,357,144	79
36XX	Non-controlling Interest	6(32)	2,203,907	2	2,066,469	2	2,932,656	3
3XXX	Total Equity		105,344,254	91	98,119,830	85	90,289,800	82
Significant Contingent Liabilities and Unrecognized Commitments		9						
3X2X	Total Liabilities and Equity		\$ 115,349,500	100	\$ 116,070,225	100	\$ 110,127,396	100

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

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

Ruentex Industries Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to March 31, 2024 and 2023

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

	Item	Notes	January 1 to March 31, 2024		January 1 to March 31, 2023	
			A m o u n t	%	A m o u n t	%
4000	Operating Revenue	6(23) and 7	\$ 702,431	100	\$ 750,176	100
5000	Operation cost	6(24) (29)(30) and 7	(482,871)	(68)	(521,355)	(70)
5900	Gross profit		<u>219,560</u>	<u>32</u>	<u>228,821</u>	<u>30</u>
	Operating Expenses	6(29) (30)				
6100	Selling expenses		(148,444)	(21)	(150,303)	(20)
6200	General & administrative expenses		(61,654)	(9)	(47,028)	(6)
6450	Expected credit impairment gains	12(2)	<u>83</u>	<u>-</u>	<u>480</u>	<u>-</u>
6000	Total Operating Expenses		(210,015)	(30)	(196,851)	(26)
6900	Operating Profit		<u>9,545</u>	<u>2</u>	<u>31,970</u>	<u>4</u>
	Non-operating Income and Expenses					
7100	Interest revenue	6(25) and 7	33,997	5	135,811	18
7010	Other income	6(26) and 7	13,781	2	12,249	2
7020	Other gains and losses	6(27)	67,945	9	(89,092)	(12)
7050	Financial Costs	6(28)	(37,115)	(5)	(70,034)	(9)
7060	Share of income of associates and joint ventures accounted for using the equity method	6(7)	<u>4,425,802</u>	<u>630</u>	<u>176,520</u>	<u>23</u>
7000	Total non-operating income and expenses		<u>4,504,410</u>	<u>641</u>	<u>165,454</u>	<u>22</u>
7900	Net profit before tax		4,513,955	643	197,424	26
7950	Income tax expense	6(31)	(35,218)	(5)	(53,600)	(7)
8200	Net income of current period		<u>\$ 4,478,737</u>	<u>638</u>	<u>\$ 143,824</u>	<u>19</u>

(Continued)

Ruentex Industries Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to March 31, 2024 and 2023

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

Item	Notes	January 1 to March 31, 2024		January 1 to March 31, 2023	
		A m o u n t	%	A m o u n t	%
Other comprehensive income (net)					
Items not to be reclassified into profit or loss					
8316	Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(5)			
			\$ 644,002	92	\$ 838,080
8320	Share of other comprehensive income of associates and joint ventures accounted for under equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(22)			
			27,667	4	73,935
8349	Income tax relating to non-reclassified items	6(31)	(67,996)	(10)	(50,726)
8310	Total of items not to be reclassified into profit or loss		603,673	86	861,289
Items may be reclassified subsequently to profit or loss					
8361	Exchange differences on translating foreign operations		190,658	27	(44,648)
8370	Share of other comprehensive income of associates and joint ventures accounted for using the equity method - items that may be reclassified subsequently to profit or loss	6(22)			(6)
			1,904,111	271	7,056,840
8399	Income tax related to items may be reclassified into profit or loss	6(31)	47,512	7	(5,620)
8360	Total of items may be reclassified subsequently to profit or loss		2,142,281	305	7,006,572

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

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

Ruentex Industries Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to March 31, 2024 and 2023

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

8300	Other comprehensive income (net)				
		\$	2,745,954	391	\$ 7,867,861 1049
8500	Total comprehensive income for this period	\$	7,224,691	1029	\$ 8,011,685 1068
	Profit attributable to:				
8610	Owners of the parent	\$	4,467,889	636	\$ 142,380 19
8620	Non-controlling Interest	\$	10,848	2	\$ 1,444 -
	Comprehensive Income attributed to:				
8710	Owners of the parent	\$	7,087,253	1009	\$ 7,756,338 1034
8720	Non-controlling Interest	\$	137,438	20	\$ 255,347 34
	Earnings per share				
				6(33)	
9750	Basic earnings per share	\$		4.28	\$ 0.14
9850	Diluted earnings per share	\$		4.28	\$ 0.14

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

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

Ruentex Industries Ltd. and Subsidiaries
Consolidated statement of changes in Equity
January 1 to March 31, 2024 and 2023

Unit: NT\$ thousands

Notes	Equity attributed to owners of the parent								Non-controlling Interest	Total Equity
	Share capital	Capital surplus	Retained earnings			Other equities	Treasury stock	Total		
			Legal reserve	Special reserve	Undistributed earnings					
	\$ 11,043,188	\$ 28,091,265	\$ 4,601,302	\$ 13,067,008	\$ 64,700,745	(\$ 41,349,830)	(\$ 552,479)	\$ 79,601,199	\$ 2,677,309	\$ 82,278,508
6(21)	-	-	-	-	142,380	-	-	142,380	1,444	143,824
6(21)(22)(32)	-	-	-	-	(48)	7,614,006	-	7,613,958	253,903	7,867,861
	-	-	-	-	142,332	7,614,006	-	7,756,338	255,347	8,011,685
6(20)	-	(391)	-	-	-	-	-	(391)	-	(391)
6(20)	-	(2)	-	-	-	-	-	(2)	-	(2)
	\$ 11,043,188	\$ 28,090,872	\$ 4,601,302	\$ 13,067,008	\$ 64,843,077	(\$ 33,735,824)	(\$ 552,479)	\$ 87,357,144	\$ 2,932,656	\$ 90,289,800
	\$ 11,043,188	\$ 28,171,512	\$ 3,780,852	\$ 76,379,565	\$ 7,373,600	(\$ 30,142,877)	(\$ 552,479)	\$ 96,053,361	\$ 2,066,469	\$ 98,119,830
6(21)	-	-	-	-	4,467,889	-	-	4,467,889	10,848	4,478,737
6(21)(22)(32)	-	-	-	-	-	2,619,364	-	2,619,364	126,590	2,745,954
	-	-	-	-	4,467,889	2,619,364	-	7,087,253	137,438	7,224,691
6(20)	-	(267)	-	-	-	-	-	(267)	-	(267)
	\$ 11,043,188	\$ 28,171,245	\$ 3,780,852	\$ 76,379,565	\$ 11,841,489	(\$ 27,523,513)	(\$ 552,479)	\$ 103,140,347	\$ 2,203,907	\$ 105,344,254

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

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

Ruentex Industries Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to March 31, 2024 and 2023

Unit: NT\$ thousands

	Notes	January 1 to March 3 1 , 2 0 2 4	January 1 to March 3 1 , 2 0 2 3
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 4,513,955	\$ 197,424
Adjustments			
Income and expenses			
Depreciation expense	6(29)	23,912	25,423
Amortization	6(29)	297	530
Gain on reversal of expected credit impairment loss	6(29)	(83)	(480)
Interest Cost	6(28)	37,115	70,034
Dividend income	6(26)	(3,086)	(2,428)
Interest revenue	6(25)	(33,997)	(135,811)
Share of income of associates and joint ventures accounted for using the equity method	6(7)	(4,425,802)	(176,520)
Gains on disposals of real estate, plant and equipment	6(27)	(15)	(443)
Gain from the price recovery of inventory declines	6(3)(29)	(7,194)	(19,443)
Net foreign exchange gains		(178,612)	(69,811)
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		(7,385)	7,963
Notes receivable		130	(180)
Notes Receivable – related party		(44)	(701)
Accounts receivable		(13,880)	(9,335)
Accounts receivable - related party		(1,021)	(1,121)
Other receivables		49	(3,425)
Other receivables - related Party		225	99
Inventories		26,312	43,468
Prepayments		(6,030)	3,963
Other Current Assets		(317)	(435)
Net defined benefit asset (listed as “non-current assets”)		(761)	(1,026)
Net change in liabilities related to operating activities			
Contract liabilities		(3,856)	4,438
Notes payable		26,350	22,835
Notes Payable – related Party		(356)	(313)
Accounts Payable		(6,820)	(8,159)
Accounts Payable – related Party		-	17
Other payables		(85,680)	(107,737)
Other Payable - Related Party		(1,809)	(1,058)
Other Current liabilities		424	(290)
Other non-Current liabilities		(180)	-
Cash outflow from operations		(148,159)	(162,522)
Interest received		43,510	131,836
Interest paid		(39,411)	(68,571)
Income tax paid		(1,517)	(11,296)

Ruentex Industries Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to March 31, 2024 and 2023

Unit: NT\$ thousands

	Notes	January 1 to March 3 1 , 2 0 2 4	January 1 to March 3 1 , 2 0 2 3
Income tax refunded		79	-
Cash outflow from operating activities		(145,498)	(110,553)

(Continued)

Ruentex Industries Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to March 31, 2024 and 2023

Unit: NT\$ thousands

	Notes	January 1 to March 3 1 , 2 0 2 4	January 1 to March 3 1 , 2 0 2 3
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at fair value through other comprehensive income	6(5)	(\$ 53,204)	\$ -
Distribution of dividends at investment cost through financial assets at fair value through other comprehensive income	6(5)	-	771
Disposal of financial assets at amortized cost		4,345,804	104,988
Real estate, plant and equipment acquired	6(34)	(8,445)	(4,038)
Disposal of real estate properties, plants and equipment	6(34)	6,642	83
Investment real estate acquired	6(34)	-	(149)
Investment in intangible assets	6(34)	(118)	(127)
Increase in refundable deposits (listed in “other non-current assets”)		(480)	-
Decrease in refundable deposits (listed in “other non-current assets”)		-	19
Increase in prepayments for business facilities (recognized in “other non-current assets”)		-	(262)
Decrease in prepayments for business facilities (recognized in “other non-current assets”)		(1,909)	-
Dividends received		3,086	2,428
Net cash inflow from investing activities		<u>4,291,376</u>	<u>103,713</u>
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(35)	400,000	-
Decrease in short-term borrowings	6(35)	-	(1,500,000)
Decrease in short-term bills payable	6(35)	-	(500,000)
Proceeds from long-term borrowings	6(35)	1,000,000	8,970,000
Repayments of long-term borrowings	6(35)	(9,300,000)	(6,900,000)
Increase in guarantee deposits received (listed in “other non-current liabilities”)	6(35)	33,913	21,934
Decrease in guarantee deposits received (listed in “other non-current liabilities”)	6(35)	(21,424)	(20,460)
Principal elements of lease payments	6(9)(35)	(13,049)	(13,238)

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

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

Ruentex Industries Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to March 31, 2024 and 2023

Unit: NT\$ thousands

	Notes	January 1 to March 3 1 , 2 0 2 4	January 1 to March 3 1 , 2 0 2 3
Net cash generated from (used in)			
financing activities		(7,900,560)	58,236
Net effect of changes in foreign currency exchange			
rates on cash and cash equivalent		171,197	(72,932)
Decrease of cash and cash equivalents current period		(3,583,485)	(21,536)
Cash and cash equivalents, beginning of period		7,248,962	9,549,587
Cash and cash equivalents, end of period		\$ 3,665,477	\$ 9,528,051

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

Chairman: Hsu, Sheng-Yu

Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

Ruentex Industries Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
Q1 of 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 and its subsidiaries (hereinafter collectively referred to as the “Group”) 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 hypermarket business.

II. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were authorized for issuance by the Company’s board of directors on May 13, 2024.

III. Application of New Standards, Amendments 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 on the Group's financial position and financial performance based on the Group's assessment.

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

NA

(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 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
Amendments to IAS No. 21 "Lack of Convertibility"	January 1, 2025

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

1. 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 Group. The relevant amount impacted will be disclosed when the assessment is completed.

2. 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 compliance statement, basis of preparation, basis of consolidation, and additions are described

as follows. The other significant accounting policies are the same as those in Note 4 to the 2023 consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Compliance statement

1. These consolidated financial statements have been prepared in accordance with the “Rules Governing the Preparation of Financial Statements by Securities Issuers” and IAS 34 “Interim Financial Reporting” endorsed and issued by the Financial Supervisory Commission.
2. These consolidated financial statements shall be read in conjunction with the 2023 consolidated financial statements.

(II) Basis of preparation

1. Except the following material items, these consolidated financial statements have been prepared under the historical cost convention:
 - (1) Financial assets (including derivative instruments) at fair value through profit or loss.
 - (2) Financial assets at fair value through other comprehensive income.
 - (3) 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 and issued into effect 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 Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of consolidation

1. Basis for preparation of consolidated financial statements

The basis for preparation of these consolidated financial statements are the same as that of the 2023 consolidated financial statements.

2. Subsidiaries included in the consolidated financial statements:

<u>Name of the investing company</u>	<u>Name of subsidiary</u>	<u>Business nature</u>	<u>Percentage of shareholding (%)</u>			<u>Description</u>
			<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>	
Ruentex Industries Ltd.	Gin-Hong Investment Co., Ltd. (Gin-Hong)	Investment	55.00	55.00	55.00	Note 1, 2, 3 and 8
Ruentex Industries Ltd.	Shing Yen Construction & Development Co., Ltd. (Shing Yen Construction & Development)	Construction Business	50.94	50.94	50.94	Note 1 & 9
Ruentex Industries Ltd.	Kompass Global Sourcing Solutions Ltd. (Kompass)	International Trade	100.00	100.00	100.00	Note 1 & 2
Ruentex Industries Ltd.	Full Shine International Holding Ltd. (Full Shine)	Investment	100.00	100.00	100.00	Note 1 & 2
Ruentex Industries Ltd.	Gold Leaf International Group Co., Ltd.(Gold Leaf)	International Trade	100.00	100.00	100.00	Note 1 & 2
Ruentex Industries Ltd.	East Capital International Limited.(East Capital)	Investment	100.00	100.00	100.00	Note 1
Ruentex Industries Ltd.	New Zone International Limited.(New Zone)	Investment	100.00	100.00	100.00	Note 1
Ruentex Industries Ltd.	Concord Greater China Limited. (Concord)	Investment	42.25	42.25	42.25	Note 1, 2, 4 and 5
Full Shine International Holding Ltd.	Sinopac Global Investment Ltd.(Sinopac)	Investment	49.06	49.06	49.06	Note 1, 2 and 7
Sinopac Global Investment Ltd.	Concord Greater China Limited. (Concord)	Investment	15.51	15.51	15.51	Note 1, 2, 4 and 5
East Capital International Limited.	Shanghai Newzone Fashion Ltd. (Shanghai Newzone)	Trade	23.08	23.08	23.08	Note 1 & 6
New Zone International Limited.	Shanghai Newzone Fashion Ltd. (Shanghai Newzone)	Trade	76.92	76.92	76.92	Note 1 & 6

Note 1: As it does not meet the definition of a material subsidiary, its financial statements as of March 31, 2024 and 2023 have not been reviewed by CPAs.

Note 2: Audited by other independent accountants for the year ended December 31, 2023.

Note 3: Gin-Hong Investment held 36,593,388 ordinary shares issued by the Company on March 31, 2024, December 31, 2023, and March 31, 2023, respectively, accounting for around 3.31% of the Company's outstanding ordinary shares, respectively.

Note 4: The Company's ownership of Concord's shares is 42.25%. The Company's subsidiary Full Shine holds 15.51% of its shares indirectly; as such, the Company's comprehensive ownership of Concord's voting rights is 57.76%.

Note 5: It is a subsidiary with material non-controlling interests.

Note 6: The comprehensive ownership is 100%.

Note 7: Although the Group's ownership of Sinopac's shares through the subsidiary Full Shine does not reach 50%, it has decision-making power over Sinopac's finance, operations, and personnel, and thus has control over it, so it is included in the consolidated financial statements prepared by the Group.

Note 8: 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%.

Note 9: 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 NT\$10 per share. The capital reduction returned a total of NT\$60,206 of shares, of which NT\$30,671 was returned to the Company. After the capital reduction, the Company's shareholding remained at 50.94 %.

3. Subsidiaries not included in the consolidated financial statements.

None.

4. Adjustments for subsidiaries with different balance sheet dates.

None.

5. Significant restrictions.

None.

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

The Group's total non-controlling interests amounted to NT\$2,203,907, NT\$2,066,469, and NT\$2,932,656 as of March 31, 2024, December 31, 2023, and March 31, 2023, respectively, and the following are non-controlling interests and subsidiaries that are material to the Group:

		<u>Non-controlling Interest</u>			
		<u>March 31, 2024</u>		<u>December 31, 2023</u>	
<u>Subsidiaries</u>	<u>Principal Place of</u>		<u>Percentage</u>		<u>Percentage</u>
<u>Name</u>	<u>Business</u>	<u>Amount</u>	<u>shareholding</u>	<u>Amount</u>	<u>shareholding</u>
Concord	British Virgin	\$	42.24%	\$	42.24%
Greater	Islands (BVI)	1,051,362		944,222	
China					
Limited.					

		<u>Non-controlling Interest</u>			
		<u>March 31, 2023</u>			
<u>Subsidiaries</u>	<u>Principal Place of</u>		<u>Percentage</u>		<u>Percentage</u>
<u>Name</u>	<u>Business</u>	<u>Amount</u>	<u>shareholding</u>	<u>Amount</u>	<u>shareholding</u>
Concord	British Virgin	\$	42.24%	\$	42.24%
Greater	Islands (BVI)	1,574,357			
China					
Limited.					

Summary of subsidiaries' financial information:

Balance Sheets

	<u>Concord Greater China Limited.</u>		
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current Assets	\$ 1,013,462	\$ 962,886	\$ 900,766
Non-current assets	1,475,169	1,272,094	2,825,793
Current liabilities	(49)	-	(47)
Non-current liabilities	-	-	-
Total net assets	<u>\$ 2,488,582</u>	<u>\$ 2,234,980</u>	<u>\$ 3,726,512</u>

Statements of Comprehensive Income

	<u>Concord Greater China Limited.</u>	
	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Income	\$ -	\$ -
Net profit before tax	9,906	674
Net income of current period	9,906	674
Other comprehensive income (loss) (net of tax)	243,695	486,085
Total Comprehensive Income (Loss), Current Period	<u>\$ 253,601</u>	<u>\$ 486,759</u>
Total comprehensive income (loss) attributed to non-controlling interest	<u>\$ 107,140</u>	<u>\$ 205,643</u>

Statements of Cash Flows

	<u>Concord Greater China Limited.</u>	
	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Cash outflow from operating activities	(\$ 962)	(\$ 144)
Net cash inflow from investing activities	10,989	1,613
Cash used in financing activities	-	-
Effects of exchange rate change on cash	40,528	(7,668)
Increase (decrease) in cash and cash equivalents of current period	50,555	(6,199)
Cash and cash equivalents, beginning of period	960,649	906,027
Cash and cash equivalents, end of period	<u>\$ 1,011,204</u>	<u>\$ 899,828</u>

(IV) Employee benefits

Pension - defined benefit plan

The pension cost for the interim period was calculated using the actuarially determined pension cost rate at the end of the previous fiscal year based on the period from the beginning of the year to the end of the current period. If there are significant market changes and major reductions, settlements or other significant one-time events after the end date, adjustments will be made accordingly, and the relevant information will be disclosed in accordance with the aforementioned policies.

(V) Income tax

The annual average effective tax rate used to estimate the interim income tax expense shall be used to calculate the interim income before tax, and the relevant information is disclosed in accordance with the aforementioned policies.

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

There was no significant change in the current period. Please refer to Note 5 to the 2023 consolidated financial statements.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash on hand and revolving funds	\$ 5,173	\$ 5,588	\$ 5,051
Checking deposits	52,018	944,747	197,798
Demand deposits	1,044,588	2,633,482	2,460,675
Time deposits	2,293,627	2,174,906	6,385,564
Cash equivalents - Bonds under repurchase agreements	<u>270,071</u>	<u>1,490,239</u>	<u>478,963</u>
	<u>\$ 3,665,477</u>	<u>\$ 7,248,962</u>	<u>\$ 9,528,051</u>

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

2. The Group did not pledge cash and cash equivalents to others as collateral.

(II) Notes and accounts receivable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable	\$ 189	\$ 319	\$ 561

Notes Receivable – related party	<u>884</u>	<u>840</u>	<u>815</u>
	<u>\$ 1,073</u>	<u>\$ 1,159</u>	<u>\$ 1,376</u>
Accounts receivable	\$ 171,836	\$ 155,948	\$ 216,339
Less: Allowance for loss	(26)	(109)	(641)
	171,810	155,839	215,698
Accounts receivable - related party	<u>2,461</u>	<u>1,220</u>	<u>2,381</u>
	<u>\$ 174,271</u>	<u>\$ 157,059</u>	<u>\$ 218,079</u>
Overdue receivable	4,088	4,088	4,088
Less: Allowance for loss	(4,088)	(4,088)	(4,088)
Overdue receivable, net (listed as "other non-current assets")	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>March 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>
Not overdue	\$ 1,073	\$ 164,527	\$ 1,159	\$ 153,214
Past due 1-90 days				
	-	9,734	-	3,868
91 days and more	<u>-</u>	<u>36</u>	<u>-</u>	<u>86</u>
	<u>\$ 1,073</u>	<u>\$ 174,297</u>	<u>\$ 1,159</u>	<u>\$ 157,168</u>
			<u>March 31, 2023</u>	
			<u>Notes receivable</u>	<u>Accounts receivable</u>
Not overdue			\$ 1,376	\$ 216,457
Past due 1-90 days				
			-	2,058
91 days and more			<u>-</u>	<u>205</u>
			<u>\$ 1,376</u>	<u>\$ 218,720</u>

The aging analysis was based on past due date.

2. The balance of notes and accounts receivable as of March 31, 2024, December 31, 2023, and March 31, 2023 was all generated from customer contracts. In addition, the balance of receivables from customer contracts as of January 1, 2023 was NT\$206,580.
3. The Group's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, was NT\$1,073, NT\$1,159, and NT\$1,376 for notes

receivable as of March 31, 2024, December 31, 2023, and March 31, 2023, respectively; NT\$174,271, NT\$157,059, and NT\$218,079 for accounts receivable as of March 31, 2024, December 31, 2023, and March 31, 2023, respectively.

4. The Group did 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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Textile Business Department:			
Raw materials	\$ 17,891	\$ 20,345	\$ 14,601
Supplies	153	214	214
Finished goods	49,395	61,672	54,197
Merchandise inventory	245,122	241,712	250,894
Less: Allowance for valuation losses	(122,160)	(130,324)	(149,775)
Subtotal	<u>190,401</u>	<u>193,619</u>	<u>170,131</u>
Wholesale Business Department:			
Work in process	1,079	1,175	1,408
Merchandise inventory	74,928	89,720	71,325
Less: Allowance for valuation losses	(1,774)	(804)	(2,088)
Subtotal	<u>74,233</u>	<u>90,091</u>	<u>70,645</u>
Construction Business Department:			
Building and land held for sale	59,055	59,055	59,055
Construction land	243,522	243,522	283,608
Less: Allowance for valuation losses	(73,535)	(73,535)	(73,535)
Subtotal	<u>229,042</u>	<u>229,042</u>	<u>269,128</u>
Total	<u>\$ 493,676</u>	<u>\$ 512,752</u>	<u>\$ 509,904</u>

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

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Cost of inventories sold	\$ 488,422	\$ 539,639
loss on physical inventory	306	349
Gain on declining price recovery	(7,194)	(19,443)
Loss on inventory scrap	<u>1,337</u>	<u>810</u>
	<u>\$ 482,871</u>	<u>\$ 521,355</u>

2. For the periods from January 1 to March 31, 2024 and 2023, the Group 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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Non-current items:			
Financial assets at fair value through profit or loss (mandatory)			
Foreign investments			
Privately offered fund	\$ 2,415,518	\$ 2,408,133	\$ 2,377,186
Adjustments for valuation	<u>621,945</u>	<u>621,945</u>	<u>706,923</u>
Total	<u>\$ 3,037,463</u>	<u>\$ 3,030,078</u>	<u>\$ 3,084,109</u>

1. The amount of adjustment to valuation recognized in profit or loss for financial assets at fair value through profit and loss during both the periods from January 1 to March 31, 2024 and 2023 was NT\$0.
2. The amount of dividend income recognized in profit or loss for financial assets at fair value through profit and loss for the periods from January 1 to March 31, 2024 and 2023 was NT\$3,086 and NT\$3,199, respectively.
3. The Group did not pledge financial assets at fair value through profit or loss as collateral.
4. For information on the credit risk of financial assets at fair value through profit and loss, please refer to Note 12 (2).

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

<u>Item</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Non-current items:			
Equity Instrument			
Domestic investment			
Shares of TWSE/TPEX listed companies	\$ 3,574,587	\$ 3,521,383	\$ 3,063,111
Shares of the TPEX-listed companies	9,059	9,059	9,242
Unlisted stocks	<u>50,411</u>	<u>50,411</u>	<u>51,659</u>
Subtotal	<u>3,634,057</u>	<u>3,580,853</u>	<u>3,124,012</u>
Adjustments for valuation			

Item	March 31, 2024	December 31, 2023	March 31, 2023
Shares of TWSE/TPEX listed companies	1,678,334	1,137,591	1,697,759
Shares of the TPEX-listed companies	44,431	44,431	24,836
Unlisted stocks	<u>50,746</u>	<u>50,746</u>	<u>41,501</u>
Subtotal	<u>1,773,511</u>	<u>1,232,768</u>	<u>1,764,096</u>
Total	<u>5,407,568</u>	<u>4,813,621</u>	<u>4,888,108</u>
Foreign investments			
Shares of TWSE listed companies	<u>7,185,039</u>	<u>7,185,039</u>	<u>7,185,039</u>
Adjustments for valuation			
Shares of TWSE listed companies	<u>(5,430,037)</u>	<u>(5,533,296)</u>	<u>(3,965,096)</u>
Effects of exchange rate changes	<u>(101,716)</u>	<u>(164,201)</u>	<u>(185,463)</u>
Total	<u>1,653,286</u>	<u>1,487,542</u>	<u>3,034,480</u>
Total	<u>\$ 7,060,854</u>	<u>\$ 6,301,163</u>	<u>\$ 7,922,588</u>

1. The Group elected to classify the strategic investments in equity instruments as financial assets at fair value through other comprehensive income, amounting to NT\$7,060,854, NT\$6,301,163, and NT\$7,922,588 as of March 31, 2024, December 31, 2023, and March 31, 2023, respectively.
2. For Pacific Resources Corporation, an unlisted company held by the Group, to revitalize fund utilization of investors and to improve the ROE, the shareholders' meeting approved to reduce its capital in May 2023 by 95% of the par value of NT\$10 per share. The capital returned to the Group 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 Group's shareholding percentage remained at 1.05%.
3. Ruentex Interior Design Inc., an unlisted company held by the Group, was approved by the shareholders' meeting on May 24, 2023 to distribute cash dividends of \$183 from the original capital surplus contributed to by shareholders. This was regarded as a reduction of the Group's original cost of the holding.
4. In April 2023, the Group participated in the capital increase by cash of the listed company, Tanvex BioPharma, Inc., and subscribed for 3,500 thousand shares in an amount of NT\$262,500.
5. In March 2024, the Group participated in the capital increase by cash of the TPEX-listed company, TaiMed Biologics, Inc., and subscribed for 649 thousand shares in an amount of NT\$53,204.

6. In July 2023, the Group participated in the capital increase by cash of the listed company, Sunny Friend Environmental Technology Co., Ltd., and subscribed for 1,685 thousand shares in an amount of NT\$202,108.
7. Ruentex Materials Co., Ltd., a listed company held by the Group, was approved by the shareholders' meeting on May 22, 2023 to distribute cash dividends of NT\$1,642 from the original capital surplus contributed to by shareholders. This was regarded as a reduction of the Group's original cost of the holding.
8. Brogent Technologies Inc., a listed company held by the Group, was approved by the shareholders' meeting on May 31, 2023 to distribute cash dividends of NT\$4,694 from the original capital surplus contributed to by shareholders. This was regarded as a reduction of the Group's original cost of the holding.
9. Detail of the financial assets at fair value through other comprehensive income recognized under profit or loss and comprehensive income is as follows:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Changes in fair value recognized as other comprehensive income	<u>\$ 644,002</u>	<u>\$ 838,080</u>

10. The Group's maximum exposure to credit risk for financial assets at fair value through other comprehensive income, before consideration of associated collateral held and other credit enhancements, was NT\$7,060,854, NT\$6,301,163, and NT\$7,922,588 as of March 31, 2024, December 31, 2023, and March 31, 2023, respectively.
11. For the details of the financial assets at fair value through other comprehensive income pledged as collateral, please refer to Note 8.
12. For information on the credit risk of financial assets at fair value through other comprehensive income, please refer to Note 12(2).

(VI) Financial assets at amortised cost

<u>Item</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current items:			
Time deposits with maturities over three months	<u>\$ 22,246</u>	<u>\$ 30,220</u>	<u>\$ -</u>
Total	<u>\$ 22,246</u>	<u>\$ 30,220</u>	<u>\$ -</u>

Non-current items:

Subordinated debts	\$ 250,000	\$ 250,000	\$ 250,000
Time deposits pledged	<u>67,800</u>	<u>4,272,468</u>	<u>4,714,673</u>
Total	<u>\$ 317,800</u>	<u>\$ 4,522,468</u>	<u>\$ 4,964,673</u>

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

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Interest revenue	<u>\$ 4,369</u>	<u>\$ 59,541</u>

- 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 Group at a par value of NT\$250,000 thousand are both 3.5%.
- The Group's maximum exposure to credit risk for financial assets measured at amortized costs, before consideration of associated collateral held and other credit enhancements was NT\$340,046, NT\$4,552,688, and NT\$4,964,673 as of March 31, 2024, December 31, 2023, and March 31, 2023, respectively.
- Details of the Group's financial assets at amortized cost pledged to others as collateral are provided in Note 8.
- For information on the credit risk of financial assets at amortized cost, please refer to Note 12(2). The trading counterparties of the Group'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 equity method

1. The details of the carrying amount of long-term equity investment are as follows:

	Carrying amount		
Name of associate	March 31, 2024	December 31, 2023	March 31, 2023
Ruentex Development Co., Ltd. (Ruentex Development)	\$ 23,854,736	\$ 21,810,583	\$ 19,972,310
Ruen Chen Investment Holdings Ltd. (Ruen Chen Investment Holdings)	64,553,910	60,281,848	52,087,109
Nan Shan Life Insurance Co., Ltd. (Nan Shan Life Insurance)	775,901	733,831	656,619
Ruen Fu Newlife Corp. (Ruen Fu)	10,150	10,855	657
	<u>\$ 89,194,697</u>	<u>\$ 82,837,117</u>	<u>\$ 72,716,695</u>

2. The investment shareholder percentage is as follows:

Name of associate	March 31, 2024	December 31, 2023	March 31, 2023
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Ruentex Development	25.70%	25.70%	25.70%
Ruen Chen Investment Holdings	23.00%	23.00%	23.00%
Nan Shan Life Insurance	0.21%	0.21%	0.21%
Ruen Fu Newlife	40.00%	40.00%	40.00%

3. Details of the share of profit or loss of associates accounted for under equity method are as follows:

Name of associate	January 1 to March 31, 2024	January 1 to March 31, 2023
Ruentex Development	\$ 1,623,607	\$ 76,733
Ruen Chen Investment Holdings	2,774,147	100,768
Nan Shan Life Insurance	28,753	1,031
Ruen Fu Newlife	(705)	(2,012)
	<u>\$ 4,425,802</u>	<u>\$ 176,520</u>

4. The basic information of the associates that are material to the Group are as follows:

Company name	Principal Place of Business	Shareholding percentage	March 31, 2024	December 31, 2023	March 31, 2023	Nature of relationship	Measurement method
Ruentex Development	Taiwan	25.70%	25.70%	25.70%	25.70%	Diversification	Equity method
Ruen Chen Investment Holdings	Taiwan	23.00%	23.00%	23.00%	23.00%	Diversification	Equity method

5. The summarized financial information of the associates that are material to the Group are as follows:

Balance Sheets

	<u>Ruentex Development</u>		
	March 31, 2024	December 31, 2023	March 31, 2023
Current Assets	\$ 41,348,188	\$ 45,654,225	\$ 47,240,419
Non-current assets	146,935,753	131,254,864	121,748,077
Current liabilities	(33,349,719)	(31,521,011)	(33,980,767)
Non-current liabilities	(43,060,995)	(43,572,760)	(41,781,926)
Equity	111,873,227	101,815,318	93,225,803
Non-controlling Interest	(8,766,663)	(7,369,429)	(7,132,981)

	<u>\$ 103,106,564</u>	<u>\$ 94,445,889</u>	<u>\$ 86,092,822</u>
Portion of the net assets of associates	\$ 26,498,387	\$ 24,272,594	\$ 22,125,855
Unrealized gains or losses on upstream transactions	(2,191)	(2,191)	(2,191)
Mutual shareholdings	(2,641,460)	(2,459,820)	(2,151,354)
Carrying amount	<u>\$ 23,854,736</u>	<u>\$ 21,810,583</u>	<u>\$ 19,972,310</u>
<u>Ruen Chen Investment Holdings</u>			
	<u>December 31,</u>		
	<u>March 31, 2024</u>	<u>2023</u>	<u>March 31, 2023</u>
Current Assets	\$ 136,394,103	\$ 121,888,195	\$ 140,031,743
Non-current assets (Note 1)	5,418,126,477	5,281,003,679	5,178,428,903
Current liabilities	(51,618,730)	(42,098,461)	(24,521,661)
Non-current liabilities	(5,184,235,676)	(5,062,762,560)	(5,035,320,323)
Equity	318,666,174	298,030,853	258,618,662
Non-controlling Interest	(37,997,002)	(35,935,860)	(32,152,969)
	<u>\$ 280,669,172</u>	<u>\$ 262,094,993</u>	<u>\$ 226,465,693</u>
Portion of the net assets of associates	<u>\$ 64,553,910</u>	<u>\$ 60,281,848</u>	<u>\$ 52,087,109</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.

Statements of Comprehensive Income

	<u>Ruentex Development</u>	
	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Income	<u>\$ 7,000,524</u>	<u>\$ 6,297,589</u>
Current Net Profit (Note 2)	8,310,156	445,651
Other comprehensive income (loss) (net of tax)	1,747,790	6,674,099
Total Comprehensive Income (Loss), Current Period (Note 3)	<u>\$ 10,057,946</u>	<u>\$ 7,119,750</u>

Note 2: Included the net combined income attributable to non-controlling interests in Ruentex Development for the periods from January 1 to March 31, 2024 and 2023, in the amount of NT\$1,580,913 and NT\$137,044, respectively.

Note 3: Included the net combined comprehensive income (loss) attributable to non-controlling interests in Ruentex Development for the periods from January 1 to March 31, 2024 and 2023, in the amount of NT\$1,397,234 and (NT\$174,865), respectively.

	<u>Ruen Chen Investment Holdings</u>	
	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Income	<u>\$ 133,411,035</u>	<u>\$ 113,573,292</u>
Current Net Profit (Note 4)	13,470,196	488,640
Other comprehensive income (loss) (net of tax)	<u>7,272,680</u>	<u>26,648,397</u>
Total Comprehensive Income (Loss), Current Period (Note 5)	<u><u>\$ 20,742,876</u></u>	<u><u>\$ 27,137,037</u></u>

Note 4: Included the net combined income attributable to non-controlling interests in Ruen Chen Investment Holdings for the periods from January 1 to March 31, 2024 and 2023, in the amount of NT\$1,408,689 and NT\$50,518, respectively.

Note 5: Included the net combined comprehensive income attributable to non-controlling interests in Ruen Chen Investment Holdings for the periods from January 1 to March 31, 2024 and 2023, in the amount of NT\$2,168,697 and NT\$2,835,321, respectively.

6. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of March 31, 2024, December 31, 2023, and March 31, 2023, the carrying amounts of the Group's individually immaterial affiliates amounted to NT\$786,051, NT\$744,686, and NT\$657,276, respectively.

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Net income of current period	<u>\$ 13,478,295</u>	<u>\$ 478,385</u>
Other comprehensive income (loss) (net of tax)	<u>6,243,457</u>	<u>25,619,175</u>
Total Comprehensive Income (Loss), Current Period	<u><u>\$ 19,721,752</u></u>	<u><u>\$ 26,097,560</u></u>

7.(1) Among the investments accounted for under the equity method as of March 31, 2024 and 2023, the amounts for Ruentex Development, Ruen Chen Investment Holdings, and Nan Shan Life Insurance were measured according to the assessment on the financial reports

reviewed by independent accountants, while the amount for Ruen Fu Newlife was measured according to the assessment on its financial reports for the same periods not reviewed by independent accountants.

- (2) Among the investments accounted for under the equity method as of December 31, 2023, the amount for Ruen Fu Newlife was measured according to the assessment on the financial reports audited by other independent auditors.

8. The fair value of the Group's investments accounted under equity method with quoted market prices is as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Ruentex Development	<u>\$ 25,694,221</u>	<u>\$ 27,594,790</u>	<u>\$ 28,711,555</u>

9. The Group holds 25.70% of Ruentex Development as the single largest shareholder of the company. Taking into account the attendance of past shareholders' meetings, it shows that other shareholders are actively participating in Ruentex 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 Group, showing that the Group has no actual ability to lead the activities of Ruentex Development. Therefore, it is judged that the Group has no control over it and only has significant influence.
10. 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.
- 11.(1) Due to the supply chain disruption caused by the global pandemic over the past two 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 Group 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 Group

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:

	September 30, 2022		October 1, 2022	
	<u>(Before reclassification)</u>	<u>Effects of reclassification</u>	<u>(After reclassification)</u>	
Consolidated total assets	\$ 59,509,663	\$ 60,095,802	\$ 119,605,465	
Consolidated total liabilities	38,471,492	-	38,471,492	
Consolidated total equity	21,038,171	60,095,802	81,133,973	

- (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, 2023 and 2022, the fair value of the affected financial assets was NT\$1,036,744,167 and NT\$994,679,285, respectively. If Nan Shan Life Insurance had not reclassified these assets on October 1, 2022, the other equity would have been (NT\$256,308,182) and (NT\$290,546,374) as of December 31, 2023 and 2022. The after-tax change in fair value recognized in other comprehensive income for the period from October to December 2023 and 2022 was NT\$34,238,192 and NT\$35,953,774, 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, 2023, a special reserve that should be provided by the Group as per the above regulations is NT\$67,301,821.

12.(1) For the purposes of investments and diversifying operations, the Company invested in Nan Shan Life Insurance in 2010 through Ruen Chen Investment Holding. Ruen Chen Investment Holdings executed capital increase by cash during the period from 2010 to 2011 respectively, and the total subscription amount of the Company according to the shareholding percentage was NT\$11,250,000. In the Nan Shan Life Insurance investment project, as required by competent authority, the Company transferred portion of shares of Ruen Chen Investment Holdings for trust, the major terms and conditions of the trust are as follows:

- A. Purpose of trust: After Ruen Chen Investment Holdings acquired the management right of Nan Shan Life Insurance, to satisfy the commitment in long-term operation and the promise for the vision of stable operation, the total of 563,500 thousand shares held by Ruen Chen Investment Holdings were transferred to the Trust Department of First Commercial Bank Co., Ltd. on September 5 and September 9, 2011 respectively, and trust registration was performed.
- B. Term of trust: The term of trust was ten years starting from the signing date of the trust contracts on September 5 and September 9, 2011 respectively.
- C. Management, use method and limitation to trust property:
 - (a) The management and use method for the trust property under this contract is for specific independent management and use. The trustee has no right to determine the use of the trust property. Unless otherwise specified in this contract, the trust property shall be managed properly according to the operating scope or method instructed by the trustor.
 - (b) The change of this contract shall be performed only after the joint negotiation of the trustor and trustee, followed by reporting to FSC for written approval.
 - (c) This contract shall become effective upon the signing of both parties. Unless otherwise specified in the laws or both parties agree otherwise, this contract is terminated due to the following matters along with the written consent of the competent authority:
 - (i) In case of the occurrence of breach of contract by any one party, the breaching party shall correct within 15 days from the date of notice by the other party. Any failure to correct beyond such period, the other party may terminate this contract and may claim damage indemnification.
 - (ii) Where there is an actual difficulty in the continuous management of the trust matter, it may be terminated based on the written consents of both parties.
 - (iii) Where the trustee is subject to dissolution, restructure, bankruptcy, revocation of establishment registration or being informed by the

exchange office to be a rejected account, it shall inform the other party. Any one party may terminate this contract by informing the other party in writing.

(iv) When a creditor of the trustor files petition to the court to revoke the trust under this contract due to harms to its rights and such petition is confirmed.

(d) Once this contract is terminated, the trustor shall repay the trust management fee and all necessary fees as well as taxes to the trustee, and the trustee may deduct such fees from the trust property.

As stated above, at the request of the competent authority, the Company delivered part of the shares of Ruen Chen Investment Holdings to a trust. However, as the trust period ended in September 2021, the trust property was returned to the Company as per the trust deed.

(2) As instructed by the FSC on June 13, 2016, the Company issued a letter of undertaking for the investment in Nan Shan General Insurance Co., Ltd. (Referred herein as “Nan Shan General Insurance”; originally named as Chartis Taiwan Insurance Co., Ltd.), and the undertaking is as follows:

A. The Company undertakes to request Nan Shan Life Insurance to ensure its long-term operation in handling the investment in Nan Shan General Insurance according to the laws and FSC’s commitment.

B. The Company undertakes that after Nan Shan Life Insurance acquires 200,000 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.

C. To fulfill the commitment of the Company and Ruen Chen Investment Holdings other shareholders on the long-term operation of Nan Shan General Insurance, in case where there is a need for capital increase for the Nan Shan General Insurance according to the laws or the request of competent authority such that new shares are to be issued for the capital increase, the Company and Ruen Chen Investment Holdings other shareholders undertake to request Nan Shan Life Insurance to hold at least a percentage of 51% on the number of outstanding ordinary shares.

(3) According to the instruction of FSC on November 15, 2017, regarding to the capital increase undertaking signed by Nan Shan Life Insurance, the Company undertakes to deliver cash at an amount of NT\$4,600,000 to Trust Department of Mega International Commercial Bank for custody, such that in the future, when Nan Shan Life Insurance needs to perform capital increase but Ruen Chen Investment Holdings cannot handle the capital increase, the Company agrees to deliver the aforementioned trust cash under custody in order to perform the capital increase by cash for Nan Shan Life Insurance

through Ruen Chen Investment Holdings or via other methods agreed by the competent authority. In addition, it shall be sufficient to cover the capital increase amount required by Nan Shan Life Insurance. In case where there is any deficiency in the amount provided by other upper shareholders, the Company agrees to cover such deficiency. In addition, for the capital increase in cash to Nan Shan Life Insurance in June 2019 through Ruen Chen Investment Holdings, the payment was made by deposited cash in the amounts of NT\$4,596,097 and NT\$3,903.

13. To meet the demands of reinvestment plan and diversified operations, in June 2019 the Company subscribed 27,300 thousand shares of Nan Shan Life Insurance for NT\$436,800, for holding 0.21% of the total shares. As Nan Shan Life Insurance is the investee company accounted for under the equity method of Ruen Chen Investment Holdings, the Company is considered has a material influence to Nan Shan Life Insurance, and thus Nan Shan Life Insurance was recognized as the investment accounted with the equity method.
14. Ruen Chen Investment Holdings conducted a cash capital increase October 2023, and the Company subscribed for the new issued shares in proportion to its shareholding amounting to NT\$115,000.
15. In order to improve financial structure and strengthen the operating capital, Ruen Fu conducted a capital reduction for making up losses of NT20,000 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.
16. 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%.
17. Details of the Group's investments accounted under equity method pledged to others as collateral are provided in Note 8.

(VIII) Property, plant, and equipment

	<u>2024</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	\$ 668,575	\$1,097,079	\$ 110,119	\$ 17,068	\$ 24,514	\$ 218,867	\$ 836,897	\$2,973,119
Accumulated impairment and depreciation		(624,903)	(85,842)	(13,392)	(24,514)	(212,365)	(633,394)	(1,594,410)
	<u>\$ 668,575</u>	<u>\$ 472,176</u>	<u>\$ 24,277</u>	<u>\$ 3,676</u>	<u>\$ -</u>	<u>\$ 6,502</u>	<u>\$ 203,503</u>	<u>\$1,378,709</u>
January 1	\$ 668,575	\$ 472,176	\$ 24,277	\$ 3,676	\$ -	\$ 6,502	\$ 203,503	\$1,378,709
Addition	-	-	-	-	-	5,325	3,900	9,225
Disposal - costs	-	-	-	-	-	(4,678)	(2,092)	(6,770)
Disposal - accumulated impairment and depreciation	-	-	-	-	-	4,678	2,092	6,770
Depreciation expense	-	(5,565)	(1,935)	(202)	-	(1,701)	(1,586)	(10,989)
Transfer (Note)	-	-	-	-	-	-	2,250	2,250
Net exchange differences-Cost	-	-	-	76	-	-	232	308
Net exchange differences-accumulated impairment and depreciation	-	-	-	(76)	-	-	(211)	(287)
March 31	<u>\$ 668,575</u>	<u>\$ 466,611</u>	<u>\$ 22,342</u>	<u>\$ 3,474</u>	<u>\$ -</u>	<u>\$ 10,126</u>	<u>\$ 208,088</u>	<u>\$1,379,216</u>
March 31								
Cost	\$ 668,575	\$1,097,079	\$ 110,119	\$ 17,144	\$ 24,514	\$ 219,514	\$ 841,187	\$2,978,132
Accumulated impairment and depreciation		(630,468)	(87,777)	(13,670)	(24,514)	(209,388)	(633,099)	(1,598,916)
	<u>\$ 668,575</u>	<u>\$ 466,611</u>	<u>\$ 22,342</u>	<u>\$ 3,474</u>	<u>\$ -</u>	<u>\$ 10,126</u>	<u>\$ 208,088</u>	<u>\$1,379,216</u>

Note: Reclassified from prepayments for business facilities.

	<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	\$ 668,575	\$1,097,079	\$ 132,113	\$ 20,944	\$ 24,514	\$ 229,325	\$ 958,766	\$3,131,316
Accumulated impairment and depreciation	<u>- (602,644)</u>	<u>(101,853)</u>	<u>(18,488)</u>	<u>(24,514)</u>	<u>(217,293)</u>	<u>(755,697)</u>	<u>(1,720,489)</u>	
	<u>\$ 668,575</u>	<u>\$ 494,435</u>	<u>\$ 30,260</u>	<u>\$ 2,456</u>	<u>\$ -</u>	<u>\$ 12,032</u>	<u>\$ 203,069</u>	<u>\$1,410,827</u>
January 1	\$ 668,575	\$ 494,435	\$ 30,260	\$ 2,456	\$ -	\$ 12,032	\$ 203,069	\$1,410,827
Addition	-	-	569	2,500	-	269	677	4,015
Disposal - costs	-	-	-	(5,568)	-	(1,762)	(22,914)	(30,244)
Disposal - accumulated impairment and depreciation	-	-	-	5,568	-	1,762	22,914	30,244
Depreciation expense	- (5,565)	(1,920)	(306)	-	(3,094)	(1,375)	(12,260)	
Transfer - costs	-	-	-	-	-	-	(165)	(165)
Transfer - accumulated impairment loss and depreciation	-	-	-	-	-	-	165	165
Net exchange differences-Cost	-	-	-	19	-	39	58	116
Net exchange differences-accumulated impairment and depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19)</u>	<u>-</u>	<u>(39)</u>	<u>(46)</u>	<u>(104)</u>
March 31	<u>\$ 668,575</u>	<u>\$ 488,870</u>	<u>\$ 28,909</u>	<u>\$ 4,650</u>	<u>\$ -</u>	<u>\$ 9,207</u>	<u>\$ 202,383</u>	<u>\$1,402,594</u>
March 31								
Cost	\$ 668,575	\$1,097,079	\$ 132,682	\$ 17,895	\$ 24,514	\$ 227,871	\$ 936,422	\$3,105,038
Accumulated impairment and depreciation	<u>- (608,209)</u>	<u>(103,773)</u>	<u>(13,245)</u>	<u>(24,514)</u>	<u>(218,664)</u>	<u>(734,039)</u>	<u>(1,702,444)</u>	
	<u>\$ 668,575</u>	<u>\$ 488,870</u>	<u>\$ 28,909</u>	<u>\$ 4,650</u>	<u>\$ -</u>	<u>\$ 9,207</u>	<u>\$ 202,383</u>	<u>\$1,402,594</u>

Details of the Group'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 Group include the Zhonglun Building office and other offices, and the lease terms for the periods from January 1 to March 31, 2024 and 2023 are from 2020 to 2026. 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 Group 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	\$ 244,202	\$ 246,447
Accumulated depreciation	(143,622)	(98,849)
	<u>\$ 100,580</u>	<u>\$ 147,598</u>
January 1	\$ 100,580	\$ 147,598
Depreciation expense	(12,923)	(13,163)
Effects of exchange rate changes - cost	20	13
Effects of exchange rate changes - accumulated depreciation	(6)	(8)
March 31	<u>\$ 87,671</u>	<u>\$ 134,440</u>
March 31		
Cost	\$ 244,222	\$ 246,460
Accumulated depreciation	(156,551)	(112,020)
	<u>\$ 87,671</u>	<u>\$ 134,440</u>

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Total amount of lease liabilities	\$ 88,844	\$ 101,879	\$ 135,989
Less: Due within one year (listed as lease liabilities - current)	(47,628)	(51,390)	(52,168)
	<u>\$ 41,216</u>	<u>\$ 50,489</u>	<u>\$ 83,821</u>

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

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	(\$ 245)	(\$ 355)
Expenses of short-term lease contracts	(2,529)	(2,177)
Expenses related to leases of low-value assets	(273)	(319)
	<u>(\$ 3,047)</u>	<u>(\$ 2,851)</u>

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

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Interest expenses of lease liabilities	\$ 245	\$ 355
Expenses of short-term lease contracts	2,529	2,177
Expenses related to leases of low-value assets	273	319
Principal elements of lease payments	<u>13,049</u>	<u>13,238</u>
	<u>\$ 16,096</u>	<u>\$ 16,089</u>

(X) Lease transactions - lessor

1. The Group leases investment property based on operating lease contracts, and recognized rent income of NT\$24,607 and NT\$23,011 for the periods from January 1 to March 31, 2024 and 2023, respectively.
2. The Group has leased part of the right-of-use assets and property, plant and equipment based on operating lease contracts and recognized rent income of NT\$6,304 and NT\$6,343 for the periods from January 1 to March 31, 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 Group is as the following:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Within 1 year	\$ 80,423	\$ 86,422	\$ 72,655
1-2 years	68,266	68,263	64,440
2-3 years	68,181	68,181	63,991
3-4 years	68,125	68,121	63,975
4-5 years	68,140	68,140	63,938
More than 5 years	<u>729,281</u>	<u>746,316</u>	<u>746,476</u>
Total	<u>\$ 1,082,416</u>	<u>\$ 1,105,443</u>	<u>\$ 1,075,475</u>

(XI) Investment Real Estate

	<u>2024</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
January 1 (i.e. March 31)	<u>\$ 8,143,547</u>	<u>\$ 658,016</u>	<u>\$ 8,801,563</u>

	<u>2023</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
January 1 (i.e. March 31)	<u>\$ 7,872,197</u>	<u>\$ 685,316</u>	<u>\$ 8,557,513</u>

1. Rental income from investment real estate:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Rental income from investment real estate	<u>\$ 24,607</u>	<u>\$ 23,011</u>

2. Investment property fair value valuation basis

The investment property held by the Group 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. Main assumptions and relevant explanation for March 31, 2024, December 31, 2023 and March 31, 2023 are as follows:

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

	<u>March 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 New Taipei City	New Taipei City	Hainchu County and Taichung City	Taoyuan City and New Taipei City	New Taipei City
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	March 31, 2024 (Note)			December 31, 2023		

March 31, 2023

Objective	Land	Building, land and parking space	Building and land
Location	Hainchu County and Taichung City	Taoyuan City and New Taipei City	New Taipei City
Appraisal method	The method of land development analysis	Income approach	Income approach
Appraisal 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
Appraisal base date	March 31, 2023 (Note)		

Note: A statement of validity on the original valuation report dated March 31, 2024 and 2023 has been obtained from the appraiser.

- (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 Group and the amount of rental income, and the comparison between the local rents and rents from similar properties for the periods from January 1 to March 31, 2024 and 2023.

	<u>March 31, 2024</u>	
	<u>Building and land</u>	<u>Parking space</u>
	<u>(NT\$/ping/monthly)</u>	<u>(NT\$/space/monthly)</u>
Estimated rent of the project	\$150~\$770	\$2,500~\$15,000
The local rent is similar to the market.	Equivalent to estimated rent	Equivalent to estimated rent
Market price of rent		
Occupancy rate	99%~100%	100%
Rental growth rate	0.00%~2.00%	
	<u>December 31, 2023</u>	
	<u>Building and land</u>	<u>Parking space</u>
	<u>(NT\$/ping/monthly)</u>	<u>(NT\$/space/monthly)</u>
Estimated rent of the project	\$150~\$770	\$2,500~\$15,000
The local rent is similar to the market.	Equivalent to estimated rent	Equivalent to estimated rent
Market price of rent		
Occupancy rate	99%~100%	100%
Rental growth rate	0.00%~2.00%	

	<u>March 31, 2023</u>	
	<u>Building and land</u>	<u>Parking space</u>
	<u>(NT\$/ping/monthly)</u>	<u>(NT\$/space/monthly)</u>
Estimated rent of the project	\$160~\$750	\$2,500~\$15,000
The local rent is similar to the market.	Equivalent to estimated rent	Equivalent to estimated rent
Market price of rent		
Occupancy rate	99%~100%	100%
Rental growth rate	0.00%~2.00%	

	<u>January 1 to March 31, 2024</u>	
	<u>Building and land</u>	<u>Parking space</u>
	<u>\$</u>	<u>\$</u>
Income amount	24,512	95

	<u>January 1 to March 31, 2023</u>	
	<u>Building and land</u>	<u>Parking space</u>
	<u>\$</u>	<u>\$</u>
Income amount	22,916	95

- (3) The Group 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 decreases 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 performance 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 Group 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>March 31, 2024 (Note)</u>		<u>December 31, 2023</u>	
	Hainchu County Xinfeng Township	Taichung City Wuqi District	Hainchu County Xinfeng Township	Taichung City Wuqi District
Estimated total sales amount	<u>\$ 1,048,772</u>	<u>\$ 18,898,905</u>	<u>\$ 1,048,772</u>	<u>\$ 18,898,905</u>
Profit margin	15.00%	24.00%	15.00%	24.00%
Overall capital interest rate	2.32%	3.76%	2.32%	3.76%
	<u>March 31, 2023 (Note)</u>			
	Hainchu County Xinfeng Township	Taichung City Wuqi District		
Estimated total sales amount			<u>\$ 1,004,880</u>	<u>\$ 18,486,931</u>

Profit margin	15.00%	24.00%
Overall capital interest rate	2.23%	3.69%

Note: A statement of validity on the original valuation report dated March 31, 2024 and 2023 has been obtained from the appraiser.

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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Discount rate	2.848%~4.345%	2.848%~4.345%	2.980%~4.220%
	(Note)		(Note)

Note: A statement of validity on the original valuation report dated March 31, 2024 and 2023 has been obtained from the appraiser.

- (8) The income approach is adopted for the Group'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 Group's investment property - land in the amount of NT\$4,488 in the Sihua 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. Due to the change of purpose of use of the land, it was transferred from the non-current assets in August 2022.
5. Details of the Group's investments property pledged to others as collateral are provided in Note 8.

(XII) Intangible Assets

	2024	2023
	<u>Computer software</u>	<u>Computer software</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	118	127
Amortization	(297)	(426)
March 31	<u>\$ 683</u>	<u>\$ 1,086</u>
March 31		
Cost	\$ 27,371	\$ 26,331
Accumulated amortization	(26,688)	(25,245)
	<u>\$ 683</u>	<u>\$ 1,086</u>

1. Details of amortization of intangible assets are as follows:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Selling expenses	\$ 67	\$ 77
General & administrative expenses	230	349
	<u>\$ 297</u>	<u>\$ 426</u>

2. The Group did not pledge intangible assets as collateral.

(XIII) Other non-current Assets

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Guarantee deposits paid	\$ 45,767	\$ 45,287	\$ 45,483
Land	15,190	15,190	15,190
Prepayments for business facilities	2,411	2,752	262
Defined benefit assets	11,804	11,043	10,340
Others	-	-	173
Overdue receivable	4,088	4,088	4,088
Loss allowance - Overdue receivable	(4,088)	(4,088)	(4,088)
	<u>\$ 75,172</u>	<u>\$ 74,272</u>	<u>\$ 71,448</u>

The Group's other non-current assets - land in the amount of NT\$4,488 in the Sihua 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. The land was transferred to investment property in August 2022 due to a change in use.

(XIV) Short-term borrowings

<u>Nature of loan</u>	<u>March 31, 2024</u>	<u>Interest rate collars</u>	<u>Guarantee</u>
Bank loan			
Secured loan	\$ -	-	Note
Credit Loan	<u>750,000</u>	1.65%~1.80%	Nil
	<u>\$ 750,000</u>		
<u>Nature of loan</u>	<u>December 31, 2023</u>	<u>Interest rate collars</u>	<u>Guarantee</u>
Bank loan			
Secured loan	\$ -	-	Note
Credit Loan	<u>350,000</u>	1.65%~1.70%	Nil
	<u>\$ 350,000</u>		
<u>Nature of loan</u>	<u>March 31, 2023</u>	<u>Interest rate collars</u>	<u>Guarantee</u>
Bank loan			
Secured loan	\$ 490,000	1.75%	Note
Credit Loan	<u>300,000</u>	1.53%~1.78%	Nil
	<u>\$ 790,000</u>		

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

(XV) Other payables

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Salaries and bonuses payable	\$ 29,911	\$ 81,164	\$ 28,401
Employee compensation payable	36,513	62,308	40,402
Dividends payables	43,102	43,762	44,620
Interest payable	4,912	7,208	9,807
Payables on equipment	2,233	1,484	673
Others	<u>73,628</u>	<u>81,223</u>	<u>67,169</u>
	<u>\$ 190,299</u>	<u>\$ 277,149</u>	<u>\$ 191,072</u>

(XVI) Long-term borrowings

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Secured bank loan	\$ 3,520,000	\$ 7,620,000	\$ 6,520,000
Credit bank loan	<u>2,825,000</u>	<u>7,025,000</u>	<u>8,900,000</u>
	6,345,000	14,645,000	15,420,000
Less: Long-term borrowings due within one year or one operating cycle	<u>(600,000)</u>	<u>(850,000)</u>	<u>(2,525,000)</u>
	<u>\$ 5,745,000</u>	<u>\$ 13,795,000</u>	<u>\$ 12,895,000</u>
Maturity date range	114.05.02~115.06.26	114.02.08~115.06.26	112.12.21~114.06.30
Interest rate collars	1.68%~1.83%	1.60%~1.88%	1.55%~1.905%

1. The Group signed a credit agreement with CTBC Bank in June 2023 to provide financing to the Group. The credit period is from June 2023 to May 2025. The total credit limit is NT\$1,300,000, and as of March 31, 2024, the Group had drawn down a credit amount of NT\$400,000. The main commitments of the Group 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 Group 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 Group 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 Group signed a credit agreement with Taipei Fubon Bank in July 2023 to provide financing to the Group. The credit period is from August 2023 to July 2025. The total credit limit is NT\$500,000, and as of March 31, 2024, the Group had drawn down a credit amount of NT\$0. The main commitments of the Group 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 Group 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 Group signed a credit agreement with EnTie Commercial Bank in April 2023 to provide financing to the Group. The credit period was from May 2023 to May 2025. The total credit limit was NT\$500,000, and as of March 31, 2024, the Group had drawn down a credit amount of NT\$0. The Group renewed the said credit agreement with EnTie Commercial Bank in March 2024, and the credit period is from April 2024 to April 2026. The main commitments of the Group are as follows:
- (1) The Group should maintain a consolidated current ratio of 70% or more and a consolidated debt ratio of 120% or less.
 - (2) When the loan criteria fails 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 Group for short-term borrowings, short-term notes payable, and long-term borrowings as in Notes 7 (2)-6 and 8, the amounts of guarantee notes issued are as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Guarantee notes	<u>\$ 42,905,900</u>	<u>\$ 46,805,900</u>	<u>\$ 50,265,900</u>

(XVII) Other non-Current liabilities

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Guarantee deposits received	\$ 802,098	\$ 789,609	\$ 743,847
Others	972	1,152	1,301
	<u>\$ 803,070</u>	<u>\$ 790,761</u>	<u>\$ 745,148</u>

(XVIII) Pensions

- 1.(1) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Group contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Group would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions to cover the deficit by next March.
- (2) For the periods from January 1 to March 31, 2024 and 2023, pension expenses were NT\$200 and NT\$191, respectively.
- (3) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to NT\$4,231.
- 2.(1) Effective on July 1, 2005, the Company and its domestic subsidiaries have established a defined pension plan under the Labor Pension Act covering all regular employees with R.O.C. nationality. Under the defined contribution pension plan in compliance with the Labor Pension Act, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (2) The Group's sub-subsidiary Shanghai Newzone Fashion Ltd. contributes a monthly amount equal to a fixed percentage of the local employees' monthly salaries and wages as a pension fund in accordance with the pension regulations in the People's Republic of China. The government administrates the pension fund, and other than the monthly contributions, the Group has no further obligations.
- (3) For the periods from January 1 to March 31, 2024 and 2023, pension expenses were NT\$3,747 and NT\$3,883, respectively.

(XIX) Capital

1. The Company's outstanding shares as of March 31, 2024, December 31, 2023, and March 31, 2023 were 1,104,319 thousand shares.
2. As of March 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.
3. As for the treasury shares listed by the Company, there were 36,593 thousand shares held by the subsidiary, Gin-Hong Investment, as of March 31, 2024, December 31, 2023, and March 31, 2023 to protect its shareholders' equity. The information on the amount is as follows:

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

(XX) 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>Others</u>	<u>Total</u>
	Issued at premium	Treasury share transactions	Changes in the associates' net value of equity	\$	\$
January 1	\$25,956,207	\$ 1,133,719	\$ 955,836	125,750	28,171,512
Overdue dividends received by shareholders	-	-	-	(67)	(67)
March 31	<u>\$25,956,207</u>	<u>\$ 1,133,719</u>	<u>\$ 955,836</u>	<u>125,483</u>	<u>28,171,245</u>

2023

Treasury share Changes in the

	<u>Issued at premium</u>	transactions	associates' net value of equity	<u>Others</u>	<u>Total</u>
January 1	\$ 25,956,207	\$ 1,093,466	\$ 929,477	\$ 112,115	\$ 28,091,265
Changes in the equity of associates recognized based on shareholding percentage	-	-	(2)	-	(2)
Overdue dividends received by shareholders	-	-	-	(391)	(391)
March 31	<u>\$ 25,956,207</u>	<u>\$ 1,093,466</u>	<u>\$ 929,475</u>	<u>\$ 111,724</u>	<u>\$ 28,090,872</u>

(XXI) Retained earnings

1. According to the Company's Articles of Incorporation, the Current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses and then 10% of the remaining amount shall be set aside as legal reserve, following which special reserve shall be set aside or reversed according to the laws. If there are still remaining earnings, the remainder shall be combined with the prior year's accumulated retained earnings, and the board of directors shall establish earnings distribution proposal for submission to the shareholders' meeting for resolution on the retention or distribution thereof. The Company's dividend policy adopts the remaining dividend policy. According to the future capital budget planning, the future capital demand of the Company is measured, and after the necessary capital is retained for financing purpose, the remaining earnings can then be distributed in the method of cash dividend.
2. Except for covering accumulated deficit or issuing new stocks or cash to shareholder in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- 3.(1) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (2) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi No. 1010012865 Letter dated April 6, 2012, shall be reversed proportionately when the relevant Assets are used, disposed of or reclassified subsequently.

4.(1) The 2023 and 2022 earnings distribution proposals of the Company were made by the board of directors and approved by the shareholders' meetings on March 13, 2024 and June 16, 2023, respectively. The details are as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>Dividend per share</u> <u>(NT\$)</u>	<u>Amount</u>	<u>Dividend per share</u> <u>(NT\$)</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)11(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.

(3) The above-mentioned 2023 distribution plan had not yet been resolved by the shareholders' meeting as of May 13, 2024.

5. Change of undistributed earnings is as follows:

	<u>2024</u>	<u>2023</u>
January 1	\$ 7,373,600	\$ 64,700,745
Net income of current period	4,467,889	142,380
Remeasurements of defined benefit obligation		
- Associates	- (	51)
Effect of income tax on Remeasurements of defined benefit obligation		
- Associates	-	3
March 31	<u>\$ 11,841,489</u>	<u>\$ 64,843,077</u>

(XXII) Other equity items

	<u>2024</u>					
	Unrealized valuation profit or loss	Foreign currency translation	Hedging reserve	Reclassification by the overlay approach	Property revaluation surplus	Total
January 1	(\$ 14,350,788)	(\$ 539,008)	\$ 215	(\$ 15,307,985)	\$ 54,689	(\$ 30,142,877)
Unrealized valuation profit or loss of financial assets:						
- Group	592,591	-	-	-	-	592,591
- Tax related to the group	(37,435)	-	-	-	-	(37,435)
- Associate	(791,541)	-	-	-	-	(791,541)
- Tax related to the associates	(19,304)	-	-	-	-	(19,304)
Foreign currency translation differences:						
- Group	-	115,479	-	-	-	115,479
- Tax related to the group	-	(23,096)	-	-	-	(23,096)
- Associate	-	23,131	-	-	-	23,131
- Tax related to the associates	-	-	-	-	-	-
Reclassification by the overlay approach:						
- Associate	-	-	-	2,700,188	-	2,700,188
- Tax related to the associates	-	-	-	59,351	-	59,351
March 31	<u>(\$ 14,606,477)</u>	<u>(\$ 423,494)</u>	<u>\$ 215</u>	<u>(\$ 12,548,446)</u>	<u>\$ 54,689</u>	<u>(\$ 27,523,513)</u>

	<u>2023</u>					
	Unrealized valuation profit or loss	Foreign currency translation	Hedging reserve	Reclassification by the overlay approach	Property revaluation surplus	Total
January 1	(\$ 15,113,123)	(\$ 533,082)	\$ 215	(\$ 25,742,567)	\$ 38,727	(\$ 41,349,830)
Unrealized valuation profit or loss of financial assets:						
- Group	565,044	-	-	-	-	565,044
- Tax related to the group	(72,561)	-	-	-	-	(72,561)
- Associate	1,507,937	-	-	-	-	1,507,937
- Tax related to the associates	2,486	-	-	-	-	2,486
Foreign currency translation differences:						
- Group	-	(25,515)	-	-	-	(25,515)
- Tax related to the group	-	5,103	-	-	-	5,103
- Associate	-	(4,054)	-	-	-	(4,054)
- Tax related to the associates	-	-	-	-	-	-
Reclassification by the overlay approach:						
- Associate	-	-	-	5,626,943	-	5,626,943
- Tax related to the associates	-	-	-	8,623	-	8,623
March 31	<u>(\$ 13,110,217)</u>	<u>(\$ 557,548)</u>	<u>\$ 215</u>	<u>(\$ 20,107,001)</u>	<u>\$ 38,727</u>	<u>(\$ 33,735,824)</u>

(XXIII) Operating Revenue

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Revenue from contracts with customers:		
Revenue from sales of real estate	-	-
Revenue from sales of goods	\$ 671,505	\$ 720,510
Rental income	30,911	29,354
Other operating revenue	15	312
	<u>\$ 702,431</u>	<u>\$ 750,176</u>

1. Detail of customer contract income

The Group's revenue can be broken down into the major segments below:

<u>January 1 to March 31, 2024</u>	<u>Textile segment</u>	<u>Retail segment</u>	<u>Hypermarket segment</u>	<u>Total</u>
Departmental revenue	\$ 227,474	\$ 165,418	\$ 310,169	\$ 703,061
Revenue from internal department transactions	(22,332)	(9,224)	-	(31,556)
Revenue from contracts with external customers	<u>\$ 205,142</u>	<u>\$ 156,194</u>	<u>\$ 310,169</u>	<u>\$ 671,505</u>

<u>January 1 to March 31, 2023</u>	<u>Textile segment</u>	<u>Retail segment</u>	<u>Hypermarket segment</u>	<u>Total</u>
Departmental revenue	\$ 343,130	\$ 161,239	\$ 301,439	\$ 805,808
Revenue from internal department transactions	(75,416)	(9,882)	-	(85,298)
Revenue from contracts with external customers	<u>\$ 267,714</u>	<u>\$ 151,357</u>	<u>\$ 301,439</u>	<u>\$ 720,510</u>

2. Contract assets and liabilities (related parties included)

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Contract liabilities	<u>\$ 31,737</u>	<u>\$ 35,563</u>	<u>\$ 29,145</u>

(XXIV) Operation cost

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Costs of clients' contracts		
Cost of sales of goods	<u>\$ 482,871</u>	<u>\$ 521,355</u>
Lease costs:		-

(XXV) Interest revenue

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Interest on cash in banks	\$ 29,625	\$ 76,267
Interest income from the financial assets measured at amortized costs	4,369	59,541
Imputed interest for deposit	3	3
	<u>\$ 33,997</u>	<u>\$ 135,811</u>

(XXVI) Other income

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Rent income	\$ 999	\$ 972
Dividend income	3,086	2,428
Other income	9,696	8,849
	<u>\$ 13,781</u>	<u>\$ 12,249</u>

(XXVII) Other gains and losses

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Gains on disposals of real estate, plant and equipment	\$ 15	\$ 443
Foreign exchange net gain (loss)	68,001	(89,642)
Others	(71)	107
	<u>\$ 67,945</u>	<u>(\$ 89,092)</u>

(XXVIII) Financial Costs

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Interest Cost		
Bank loan and short-term notes and bills	\$ 33,987	\$ 67,198
Lease liabilities	245	355
Others	2,883	2,450
Other financial expenses	-	31
	<u>\$ 37,115</u>	<u>\$ 70,034</u>

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

	<u>January 1 to March 31,</u> <u>2024</u>	<u>January 1 to March 31,</u> <u>2023</u>
Raw materials and supplies consumed	\$ 5,789	\$ 6,830
Changes in inventories of finished goods and work-in-process	122,625	190,523
Changes in merchandise inventory	329,979	325,342
Contract processing expense	31,672	18,103
Gain from the price recovery of inventory declines (	7,194) (	19,443)
Employee benefit expense	107,805	94,931
Depreciation expenses for property, plant and equipment	10,989	12,260
Depreciation expenses for right-of-use assets	12,923	13,163
Amortization	297	530
Gain on reversal of expected credit impairment loss (	83) (	480)
Other operating costs and expenses	78,084	76,447
	<u>\$ 692,886</u>	<u>\$ 718,206</u>

(XXX) Employee benefit expense

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Wages and salaries	\$ 87,392	\$ 75,662
Labor and Health Insurance costs	9,640	9,827
Pension expense	3,947	4,074
Directors' Remuneration	2,712	1,914
Other employment fees	4,114	3,454
	<u>\$ 107,805</u>	<u>\$ 94,931</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 periods from January 1 to March 31, 2024 and 2023, employees' compensation was estimated at NT\$13,550 and NT\$590, respectively. The aforementioned amounts were estimated at 0.3% of the year's profitability and accounted for in salary expenses.

Employees' compensation for 2023 as resolved by the board of directors was in agreement with the amount of NT\$22,831 recognized in the 2023 financial statements and would be paid in cash; and had not been paid as of March 31, 2024.

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.

(XXXI) Income tax

1. Income tax expense:

(1) Components of Income tax expense:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Current income tax:		
Overestimation on income tax for prior years	<u>(\$ 79)</u>	<u>\$ -</u>
Deferred income tax:		
Origination and reversal of temporary differences	<u>35,297</u>	<u>53,600</u>
	<u>\$</u>	<u>\$</u>
Income tax expense	<u>35,218</u>	<u>53,600</u>

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

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Changes in unrealized valuation (profit) loss - group	\$ 37,435	\$ 72,561
Differences on translation of foreign operations - group	23,096	(5,103)
Share of other comprehensive income from associates	<u>(40,047)</u>	<u>(11,112)</u>
	<u>\$ 20,484</u>	<u>\$ 56,346</u>

2. The Company's income tax returns through 2021 have been assessed as approved by the Tax Authority.

(XXXII) Non-controlling Interest

	<u>2024</u>		<u>2023</u>	
January 1	\$	2,066,469	\$	2,677,309
Net income of current period		10,848		1,444
Differences on translation of foreign operations		75,179	(	19,133)
Changes in unrealized valuation profit or loss		51,411		273,036
March 31	<u>\$</u>	<u>2,203,907</u>	<u>\$</u>	<u>2,932,656</u>

(XXXIII) Earnings per share

	<u>January 1 to March 31, 2024</u>		
	<u>After-tax amount</u>	Number of shares outstanding (thousand shares) at the end of the period	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	<u>\$ 4,467,889</u>	<u>1,043,663</u>	<u>\$ 4.28</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 4,467,889	1,043,663	
Dilutive potential ordinary shares effecting employee compensation	<u>-</u>	<u>541</u>	
Net income for the period attributable to the common shareholders of the parent company plus the effect of potential common shares	<u>\$ 4,467,889</u>	<u>1,044,204</u>	<u>\$ 4.28</u>

	<u>January 1 to March 31, 2023</u>		
	<u>After-tax amount</u>	Number of shares outstanding (thousand shares) at the end of the	Earnings per share (NTD)

period

Basic earnings per share

Net income attributable to ordinary shareholders of the parent	\$	142,380	1,043,663	\$	0.14
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Diluted earnings per share

Net income attributable to ordinary shareholders of the parent	\$	142,380	1,043,663
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Dilutive potential ordinary shares effecting employee compensation		-	537
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Net income for the period attributable to the common shareholders of the parent company plus the effect of potential common shares	\$	142,380	1,044,200	\$	0.14
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(XXXIV) Cash flow supplementary information

1. Investing activities received partially in cash:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Disposal of real estate properties, plants and equipment	\$ -	\$ -
Add: Gains on disposals of real estate, plants, and equipment	15	443
Add: Other receivables at the beginning of the period	6,627	4,425
Less: Other receivables at the end of the period	-	(4,785)
Cash received during this period	\$ 6,642	\$ 83

2. Investing activities paid partially by cash:

	<u>January 1 to March 31,</u> <u>2024</u>	<u>January 1 to March 31,</u> <u>2023</u>
Acquisition of property, plant and equipment	\$ 9,225	\$ 4,015
Add: Other payables at the beginning of the period - payable on equipment	1,484	1,057
Less: Other payables at the end of the period - payable on equipment	(2,233)	(673)
Less: Other payables at the end of the period - Others	(31)	(361)
Cash payments for current period	<u>\$ 8,445</u>	<u>\$ 4,038</u>

	<u>January 1 to March 31,</u> <u>2024</u>	<u>January 1 to March 31,</u> <u>2023</u>
Purchase of Investment real estate	\$ -	\$ -
Add: Other payables at the beginning of the period-Others	-	149
Cash payments for current period	<u>\$ -</u>	<u>\$ 149</u>

	<u>January 1 to March 31,</u> <u>2024</u>	<u>January 1 to March 31,</u> <u>2023</u>
Purchase of intangible assets	\$ 118	\$ 127
Add: Other payables at the beginning of the period-Others	288	288
Less: Other payables at the end of the period-Others	(288)	(288)
Cash payments for current period	<u>\$ 118</u>	<u>\$ 127</u>

(XXXV) Liabilities from financing activities

	<u>2024</u>						
	<u>Short-term borrowings</u>	<u>Short-term bills payable</u>	<u>Guarantee deposits received</u>	<u>Long-term borrowings (including due within one year and one operating cycle)</u>	<u>Lease liabilities (including those due within 1 year)</u>	<u>Total liabilities from financing activities</u>	
January 1	\$ 350,000	\$ -	\$ 789,609	\$ 14,645,000	\$ 101,879	\$ 15,886,488	
Changes of the financing cash flows	400,000	-	12,489	(8,300,000)	(13,049)	(7,900,560)	
Other non-cash changes	-	-	-	-	14	14	
March 31	<u>\$ 750,000</u>	<u>\$ -</u>	<u>\$ 802,098</u>	<u>\$ 6,345,000</u>	<u>\$ 88,844</u>	<u>\$ 7,985,942</u>	
	<u>2023</u>						

	<u>Short-term borrowings</u>	<u>Short-term bills payable</u>	<u>Guarantee deposits received</u>	<u>Long-term borrowings (including due within one year and one operating cycle)</u>	<u>Lease liabilities (including those due within 1 year)</u>	<u>Total liabilities from financing activities</u>
January 1	\$ 2,290,000	499,698	\$ 742,373	\$ 13,350,000	\$ 149,222	\$ 17,031,293
Changes of the financing cash flows	(1,500,000)	(500,000)	1,474	2,070,000	(13,238)	58,236
Other non-cash changes	-	302	-	-	5	307
March 31	<u>\$ 790,000</u>	<u>\$ -</u>	<u>\$ 743,847</u>	<u>\$ 15,420,000</u>	<u>\$ 135,989</u>	<u>\$ 17,089,836</u>

VII. Transaction with Related Parties

(I) Names of related parties and relationship

<u>Name of the related party</u>	<u>Relationship with the Group</u>
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)
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)	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)
Yi Tai 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)
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)

<u>Name of the related party</u>	<u>Relationship with the Group</u>
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

(II) Significant related party transactions and balances

1. Operating revenue

	<u>January 1 to March 31,</u> <u>2024</u>	<u>January 1 to March 31,</u> <u>2023</u>
Sale of goods:		
Associates	\$ 366	\$ 435
Other related parties	1,411	1,233
Rental income:		
Associates	29	29
Other related parties		
-Ruentex Engineering & Construction	20,042	18,960
-Others	86	85
	<u>\$ 21,934</u>	<u>\$ 20,742</u>

- (1) The Group leased the land in the Sihua 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 negotiation between both parties determined the transaction price and the payment was collected according to the contract timeline signed by both parties. The lease term is 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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Less than one years	\$ 70,648	\$ 74,899	\$ 62,210
More than one year and less than five years	248,586	248,586	231,837
More than 5 years	693,970	709,506	705,171
	<u>\$ 1,013,204</u>	<u>\$ 1,032,991</u>	<u>\$ 999,218</u>

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

2. Receivables from related parties

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable:			
Other related parties	<u>\$ 884</u>	<u>\$ 840</u>	<u>\$ 815</u>
Accounts receivable:			
Associates	\$ 148	\$ 13	\$ 431
Other related parties	<u>2,313</u>	<u>1,207</u>	<u>1,950</u>
	<u>\$ 2,461</u>	<u>\$ 1,220</u>	<u>\$ 2,381</u>
Other receivables:			
Associates			
-Nan Shan Life Insurance	\$ 6,733	\$ 4,545	\$ 6,733
-Others	564	648	645
Other related parties	<u>1,412</u>	<u>1,553</u>	<u>1,341</u>
	<u>\$ 8,709</u>	<u>\$ 6,746</u>	<u>\$ 8,719</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.

3. Payables to related parties

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes payable:			
Associates	\$ 32	\$ 29	\$ 32
Other related parties	<u>-</u>	<u>359</u>	<u>-</u>
	<u>\$ 32</u>	<u>\$ 388</u>	<u>\$ 32</u>
Accounts payable:			
Associates	\$ -	\$ 8	\$ 17
Other related parties	<u>29</u>	<u>-</u>	<u>-</u>
	<u>\$ 29</u>	<u>\$ 8</u>	<u>\$ 17</u>
Other payables:			
Associates	\$ 95	\$ 1,104	\$ 93
Other related parties	<u>261</u>	<u>1,061</u>	<u>117</u>
	<u>\$ 356</u>	<u>\$ 2,165</u>	<u>\$ 210</u>

4. Non-operating income and expenses

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Interest revenue:		
Associates		
-Nan Shan Life Insurance	\$ 2,188	\$ 2,188
Other income:		
Associates	\$ 1,794	\$ 1,842
Other related parties		
-Ruentex Engineering & Construction	1,309	1,303
-Others	2,579	2,659
	<u>\$ 5,682</u>	<u>\$ 5,804</u>

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

(2) Other income mainly refers to income from the computer services and management services provided to related parties.

5. Property transactions

Acquisition and disposal of financial assets

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

6. Endorsements or guarantees made by related parties

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Key management personnel	\$ 39,309,900	\$ 39,909,900	\$ 42,909,900

7. Others

Please refer to Note 6(13).

(III) Key management compensation information

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Wages and salaries and other short-term employee benefits	\$ 6,880	\$ 6,157
Post-employment benefits	311	311
Total	<u>\$ 7,191</u>	<u>\$ 6,468</u>

VIII. Pledged Assets

The Group's assets pledged as collateral are as follows:

<u>Asset items</u>	<u>Carrying amount</u>		<u>March 31, 2023</u>	<u>For guarantee purpose</u>
	<u>March 31, 2024</u>	<u>December 31, 2023</u>		
Investments accounted for using equity method	\$ 9,076,345	\$ 8,569,002	\$ 8,423,033	For mid- and long-term loans, short-term borrowings, and issue of commercial paper
Inventories	46,545	46,545	83,134	Mid- and long-term loans
Property, plant, and equipment	924,194	926,993	935,390	Mid- and long-term loans
Financial assets at fair value through other comprehensive income - non-current	1,679,946	1,738,505	1,649,420	Mid- and long-term loans
Investment Real Estate	8,115,380	8,115,380	7,876,761	Mid- and long-term loans
Financial Assets at amortized cost- non-Current	67,800	4,272,468	4,714,673	For legal litigation, tariffs, bank secured loans, and short-term borrowings

IX. Significant Contingent Liabilities and Unrecognized Commitments

Except for those mentioned in Notes 6(7), (9), (10), and (16), 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 cancelled. In 2023, the Company signed a new land exchange agreement with the Hsinchu County Government. However, the valuation process for the aforementioned transaction has not been completed as of May 13, 2024.
2. In November 1998, the Company and RT-MART International Co., Ltd. signed the entrusted management and procurement agreement for the Zhonghe Hypermarket to authorize RT-MART International Co., Ltd. to provide the hypermarket management and joint procurement services. The agreement period is from November 1998 to December 2028 after multiple additions of supplementary agreements and extensions based on mutual agreement.

X. Significant Disaster Loss

None.

XI. Significant subsequent events

None.

XII. Others

(I) Capital management

The Group's capital management is to ensure its going concern and maintain the best capital structure to reduce capital cost, so as to provide returns to its shareholders. In order to maintain or adjust capital structure, the Group may adjust dividend distribution, return capital to shareholders, issue new shares or dispose assets to optimize the capital structure. The Group manages its capital through liabilities-to-capital ratio that is the ratio of net liabilities over total capital. The net liabilities is equal to total borrowings (including "current and non-current borrowings" on the consolidated financial statements) deducting cash and cash equivalents. Total capital is the "equity" stated on the consolidated balance sheet plus net liabilities.

The Group's strategy for year 2024 is consistent with that of year 2023. The Group's debt ratios as of March 31, 2024, December 31, 2023, and March 31, 2023 were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Total borrowings	\$ 7,095,000	\$ 14,995,000	\$ 16,210,000
Less: Cash and cash equivalents	(3,665,477)	(7,248,962)	(9,528,051)
Net debt	3,429,523	7,746,038	6,681,949
Total equity	<u>105,344,254</u>	<u>98,119,830</u>	<u>90,289,800</u>
Total capital	<u>\$ 108,773,777</u>	<u>\$ 105,865,868</u>	<u>\$ 96,971,749</u>
Debt-to-total-capital ratio	3.15%	7.32%	6.89%

(II) Financial instruments

1. Type of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets at fair value through profit or loss - non-current	\$ 3,037,463	\$ 3,030,078	\$ 3,084,109
Financial assets at fair value through other comprehensive income - non-current	7,060,854	6,301,163	7,922,588
Financial assets at amortized cost			
Cash and cash equivalents	3,665,477	7,248,962	9,528,051
Notes receivable	189	319	561
Notes Receivable – related party	884	840	815
Accounts receivable	171,810	155,839	215,698
Accounts receivable - related party	2,461	1,220	2,381
Other receivables	15,381	33,454	81,290
Other receivables - related Party	8,709	6,746	8,719
Current and non-current financial assets at amortized cost	340,046	4,552,688	4,964,673
Refundable deposits (listed as other non-current assets)	45,767	45,287	45,483
	<u>\$ 14,349,041</u>	<u>\$ 21,376,596</u>	<u>\$ 25,854,368</u>
<u>Financial liabilities</u>			
Financial assets at amortized cost			
Short-term borrowings	\$ 750,000	\$ 350,000	\$ 790,000
Notes payable	123,735	97,385	122,078
Notes Payable – related Party	32	388	32
Accounts Payable	197,062	203,800	227,392
Accounts Payable – related Party	29	8	17
Other payables	190,299	277,149	191,072
Other Payable - Related Party	356	2,165	210
Long-term borrowings (including due within one year or one operating cycle)	6,345,000	14,645,000	15,420,000
Guarantee deposits received (listed as other non-current liabilities)	802,098	789,609	743,847
	<u>\$ 8,408,611</u>	<u>\$ 16,365,504</u>	<u>\$ 17,494,648</u>
Lease liabilities – current and non-current	<u>\$ 88,844</u>	<u>\$ 101,879</u>	<u>\$ 135,989</u>

2. Risk management policies

- (1) The Group 's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (2) Risk management is carried out by the Group's Finance Department under policies approved by the Board of Directors. Finance Department identified, evaluates and hedges financial risks in close cooperation with the Group's operating units. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3. Significant financial risks and degrees of financial risks

(1) Market risk

Foreign exchange risk

A. The Group holds multiple investments in foreign operations, and net assets of such investments are exposed to foreign exchange risk. Also, the Group's business involves multiple non-functional currencies that may be impacted by changes to foreign exchange rate. Information for foreign-currency-denominated assets and liabilities that may be impacted by foreign exchange risk is as follows:

		<u>March 31, 2024</u>					
		<u>Sensitivity analysis</u>					
<u>Financial</u> <u>assets</u> <u>Monetary</u> <u>item</u>	<u>Foreign currency</u> <u>(thousands)</u>	<u>Exchange</u> <u>rate</u>	Carrying amount (NT\$)	Range of variation	Effects on profit and loss	Effects on other comprehensive income	
USD:NTD	\$ 5,176	32.000	\$ 165,632	5%	\$ 8,282	\$ -	
HKD:NTD	619	4.090	2,532	5%	127	-	
CNY:NTD	10,830	4.408	47,739	5%	2,387	-	
<u>Financial</u> <u>liabilities</u> <u>Monetary</u> <u>item</u>							
USD:NTD	\$ 76	32.000	\$ 2,432	5%	\$ 122	\$ -	
HKD:NTD	90	4.090	368	5%	18	-	

		<u>December 31, 2023</u>					
		<u>Sensitivity analysis</u>					
		<u>Foreign currency</u>	<u>Exchange</u>	<u>Carrying</u>	<u>Range of</u>	<u>Effects on profit</u>	<u>Effects on other</u>
		<u>(thousands)</u>	<u>rate</u>	<u>amount</u>	<u>variation</u>	<u>and loss</u>	<u>comprehensive income</u>
				<u>(NT\$)</u>			
<u>Financial assets</u>							
<u>Monetary item</u>							
USD:NTD	\$	196,075	30.710	\$ 6,021,463	5%	\$ 301,073	\$ -
HKD:NTD		653	3.930	2,566	5%	128	-
CNY:NTD		2,511	4.327	10,865	5%	543	-
<u>Financial liabilities</u>							
<u>Monetary item</u>							
USD:NTD	\$	67	30.710	\$ 2,058	5%	\$ 103	\$ -
HKD:NTD		161	3.930	633	5%	32	-

		<u>March 31, 2023</u>					
		<u>Sensitivity analysis</u>					
		<u>Foreign currency</u>	<u>Exchange</u>	<u>Carrying</u>	<u>Range of</u>	<u>Effects on profit</u>	<u>Effects on other</u>
		<u>(thousands)</u>	<u>rate</u>	<u>amount</u>	<u>variation</u>	<u>and loss</u>	<u>comprehensive income</u>
				<u>(NT\$)</u>			
<u>Financial assets</u>							
<u>Monetary item</u>							
USD:NTD	\$	352,386	30.450	\$ 10,730,154	5%	\$ 536,508	\$ -
HKD:NTD		147	3.880	570	5%	29	-
CNY:NTD		2,428	4.431	10,758	5%	538	-
<u>Financial liabilities</u>							
<u>Monetary item</u>							
USD:NTD	\$	210	30.450	\$ 6,395	5%	\$ 320	\$ -
HKD:NTD		343	3.880	1,331	5%	67	-

- B. Foreign exchange risk has significant impact on the Group, and the foreign exchange gains or losses (including realized and unrealized) on monetary items recognized were gains of NT\$68,001 and losses of NT(\$89,642) for the periods from January 1 to March 31, 2024 and 2023, respectively.

Price risk

- A. The Group'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. In order to manage its equity instruments investment against price risk, the Group diversified its investment portfolio based on the limits set by the Group.
- B. The Group has mostly invested in equity instruments issued by domestic or foreign companies, and the prices of such equity instruments would change due to the change of the future value of investee companies. If the prices of these equity instruments had increased/decreased by 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 the periods from January 1 to March 31, 2024 and 2023 would have increased/decreased by NT\$353,043 and NT\$396,129, respectively.
- C. The Group 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 the periods from January 1 to March 31, 2024 and 2023 arising from gains or losses on debt instruments at fair value through profit or loss would have increased or decreased by NT\$121,499 and NT\$123,364.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risk arises from total borrowings with floating interest rates that expose the Group to cash flow interest rate risk. On March 31, 2024, December 31, 2023, and March 31, 2023, the Group's borrowings issued at variable rates were mostly denominated in New Taiwan Dollars.

- B. The Group's borrowings were measured at amortized cost, and the interest rate is reset every year as specified in the contracts. Therefore, the Group is exposed to interest rate risk from any future market interest rate change.
- C. If interest rates on borrowings had been 0.5% higher or lower with all other variables held constant, profit after income tax for the periods from January 1 to March 31, 2024 and 2023 would have decreased/increased by NT\$7,095 and NT\$16,210, respectively, due to change of interest expenses of borrowings at variable interest rate.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or 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 Group manages its credit risk based on a Group-oriented system. 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. Following the internal credit policies, before setting the terms and conditions for payments and delivery with a new customer, each entity of the Group should assess new customer's credit risk and conduct credit risk management. The internal risk control considers the financial position, past experience and other factors in order to assess the credit quality of customers. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilization of credit limits is regularly monitored.
- C. The Group uses the presumptions provided by IFRS 9 that a loan that is 90 days past due is credit-impaired.
- D. The Group uses IFRS to provide the following assumptions, to determine if the credit risks of the financial instrument significantly increased since the initial recognition.
 - (A) When the contractual payments overdue from the payment terms for more than 30 days, it is deemed the credit risks of the financial instrument significantly increased since the initial recognition.
 - (B) 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 determine the impairment of the debt instrument investment used by the Group is as the following:
- (A) The possibilities that an issuer has a significant financial difficulty, or will become bankrupt or financial reorganized;
 - (B) Due to the financial difficulty of the issuer, such that the active market of the financial asset vanishes;
 - (C) An issuer delay or fail to repay the interests or principals;
 - (D) The unfavorable changes to the national or regional economic conditions leading to the default of an issuer.
- F. Receivables are grouped based on customer's types, and the Group applies the simplified approach using loss rate methodology to estimate the expected credit loss.
- G. After the collection procedures, the financial assets amount that cannot be reasonably estimated will be written-off. However, the Group will continue to continue to pursue the legal right of recourse to protect the claims.
- H. The Group 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) and overdue receivable, net (listed as "other non-current assets"). As of March 31, 2024, December 31, 2023, and March 31, 2023, the loss rate methodology is as follows:

<u>March 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	0.00%~0.01%	0.08%	50%~100%	100%	
Total carrying amount (including related parties)	\$ 164,527	\$ 9,734	\$ 36	\$ 4,088	\$ 178,385
Allowance for losses	\$ 8	\$ 7	\$ 11	\$ 4,088	\$ 4,114
<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	0.00%~0.01%	0.37%	50%~100%	100%	
Total carrying amount (including related parties)	\$ 153,214	\$ 3,868	\$ 86	\$ 4,088	\$ 161,256
Allowance for losses	\$ 11	\$ 14	\$ 84	\$ 4,088	\$ 4,197
<u>March 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	0.00%~0.21%	7.40%	50%~100%	100%	

Total carrying amount (including related parties)	\$ 216,457	\$ 2,058	\$ 205	\$ 4,088	\$ 222,808
Allowance for losses	\$ 345	\$ 152	\$ 144	\$ 4,088	\$ 4,729

I. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable and overdue receivable are 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
Gains on reversal of impairment loss	(83)	(480)
March 31	<u>\$ 4,114</u>	<u>\$ 4,729</u>

J. The financial assets measured by the amortized cost accounted for by the Group are time deposits as a pledge and subordinated bonds. Because the cooperating financial institutions' credit ratings are good, and the Group 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. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Finance Department. The financial department monitors rolling forecasts of the Group'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 Group 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. The Group invests surplus cash from all operating units in interest bearing current accounts, time deposits, and repurchasable bonds, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. March 31, 2024, December 31, 2023, and March 31, 2023, the Group's position held in money market were NT\$3,608,286, NT\$6,298,627, and NT\$9,325,202.
- C. Detail of the loan credit not yet drawn down by the Group is as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Due within one year	\$ 5,210,000	\$ 6,410,000	\$ 7,480,000
Due longer than one year	<u>26,700,000</u>	<u>23,000,000</u>	<u>22,200,000</u>
	<u>\$ 31,910,000</u>	<u>\$ 29,410,000</u>	<u>\$ 29,680,000</u>

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

Non-derivative financial liabilities:

<u>March 31, 2024</u>	<u>Within 1 year</u>	<u>Within 1-5 years</u>
Short-term borrowings (Note)	\$ 753,487	\$ -
Notes payable	123,735	-
Notes Payable – related Party	32	-
Accounts Payable	197,062	-
Accounts Payable – related Party	29	-
Other payables	190,299	-
Other Payable - Related Party	356	-
Lease liabilities (Note)	48,267	41,444
Long-term borrowings (including due within one year or one operating cycle) (Note)	606,956	5,903,870

Non-derivative financial liabilities:

December 31, 2023	Within 1 year	Within 1-5 years
Short-term borrowings (Note)	\$ 354,012	\$ -
Notes payable	97,385	-
Notes Payable – related Party	388	-
Accounts Payable	203,800	-
Accounts Payable – related Party	8	-
Other payables	277,149	-
Other Payable - Related Party	2,165	-
Lease liabilities (Note)	52,162	50,832
Long-term borrowings (including due within one year or one operating cycle) (Note)	862,650	14,165,027

Non-derivative financial liabilities:

March 31, 2023	Within 1 year	Within 1-5 years
Short-term borrowings (Note)	\$ 793,921	\$ -
Notes payable	122,078	-
Notes Payable – related Party	32	-
Accounts Payable	227,395	-
Accounts Payable – related Party	17	-
Other payables	191,072	-
Other Payable - Related Party	210	-
Lease liabilities (Note)	53,237	84,558
Long-term borrowings (including due within one year or one operating cycle) (Note)	2,556,377	13,206,675

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

E. The Group did not expect the occurrence timing of cash flow of expiry date analysis would be significantly earlier, or the actual amount would significantly differ.

(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, part of the investment in stocks listed in the

emerging stock market, and the group's investment in domestic convertible bonds.

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

Level 3: Unobservable inputs for the asset or liability. 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, and investment property.

2. The carrying amounts of the Group's financial instruments not measured at fair value, including cash and cash equivalents, 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 accounts payable and other financial liabilities recognized in other non-current liabilities, are approximate to their fair values.
3. Classification of financial instruments and non-financial instruments at fair value based on the natures, characteristic and risk, and fair value level is as follows:

113 年 3 月 31 日	<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				
Non-derivative financial assets				
- Foreign privately offered fund	\$ -	\$ -	\$ 3,037,463	\$ 3,037,463
Financial assets at fair value through other comprehensive income acquired - non-Current				
Equity instrument investment				
- Domestic TWSE- and TPEX-listed stocks	\$ 5,252,921	\$ -	\$ -	\$ 5,252,921
- Domestic stocks listed in TPEX	-	-	53,490	53,490
- Domestic unlisted stocks	-	-	101,157	101,157
- Foreign listed stocks	1,653,286	-	-	1,653,286
Subtotal	\$ 6,906,207	\$ -	\$ 154,647	\$ 7,060,854
Investment property (Note)	\$ -	\$ -	\$ 8,801,563	\$ 8,801,563
Total	\$ 6,906,207	\$ -	\$ 11,993,673	\$ 18,899,880
December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				

Recurring fair value

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

Non-derivative financial assets

- Foreign privately offered fund	\$ -	\$ -	\$ 3,030,078	\$ 3,030,078
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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
- Foreign listed stocks	1,487,542	-	-	1,487,542
Subtotal	\$ 6,146,516	\$ -	\$ 154,647	\$ 6,301,163
Investment property (Note)	\$ -	\$ -	\$ 8,801,563	\$ 8,801,563
Total	\$ 6,146,516	\$ -	\$ 11,986,288	\$ 18,132,804

March 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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Assets

Recurring fair value

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

Non-derivative financial assets

- Foreign privately offered fund	\$ -	\$ -	\$ 3,084,109	\$ 3,084,109
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Financial assets at fair value through other comprehensive income acquired - non-Current

Equity instrument investment

- Domestic TWSE- and TPEX-listed stocks	\$ 4,760,870	\$ -	\$ -	\$ 4,760,870
- Domestic stocks listed in TPEX	-	-	34,078	34,078
- Domestic unlisted stocks	-	-	93,160	93,160
- Foreign listed stocks	3,034,480	-	-	3,034,480
Subtotal	\$ 7,795,350	\$ -	\$ 127,238	\$ 7,922,588
Investment property (Note)	\$ -	\$ -	\$ 8,557,513	\$ 8,557,513
Total	\$ 7,795,350	\$ -	\$ 11,768,860	\$ 19,564,210

Note: Investment property subsequently measured at fair value

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

- (1) The Group used market quoted prices as fair values (that is, Level 1) of investment in stocks listed in TWSE and TPEx, partial investment in stocks listed in the emerging stock market, and investment in domestic convertible bonds, and 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 consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
- (3) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- (4) For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. Such type of valuation model is normally applied to derivative financial instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. For the impacts of non-market observable parameters on financial instrument valuation, please refer to Note XII(3)10 for details.
- (5) The fair value valuation techniques adopted by the Group for the investment property measured at fair value are in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and such fair values are measured by the Group or outsourced using the income approach. 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 Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on Current market conditions.
- (7) The Group 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 Group.
5. There was no transfer between the Level 1 and the Level 2 fair values for the periods from January 1 to March 31, 2024 and 2023.
6. The following table shows the change of Level 3 fair value for the periods from January 1 to March 31, 2024 and 2023:

	<u>2024</u>		
	Debt instruments at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	<u>Total</u>
January 1	\$ 3,030,078	\$ 154,647	\$ 3,184,725
Purchase for current period	<u>7,385</u>	<u>-</u>	<u>7,385</u>
March 31	<u>\$ 3,037,463</u>	<u>\$ 154,647</u>	<u>\$ 3,192,110</u>
	<u>2023</u>		
	Debt instruments at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	<u>Total</u>

January 1	\$	3,092,072	\$	127,238	\$	3,219,310
Distribution of dividends at cost of investment		-	(	771)	(	771)
Decrease in the current period						
- Cost	(	7,963)	-		(	7,963)
Adjustments for valuation		<u>-</u>		<u>771</u>		<u>771</u>
March 31	\$	<u>3,084,109</u>	\$	<u>127,238</u>	\$	<u>3,211,347</u>

7. There was no transfer in or out of the Level 3 fair values for the periods from January 1 to March 31, 2024 and 2023. Please refer to Note 6(5) for other changes in the Level 3 fair values.
8. Accounting Department is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value. 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:

	March 31, 2024		Significant unobservable inputs	Interval	Relationship between inputs and fair value
	<u>Fair value</u>	<u>Valuation techniques</u>			
Investment Real Estate	\$ 4,025,693	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	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

TPEX-listed companies					
	700	Asset-Based Approach	Not applicable	Not applicable	Not applicable
Domestic unlisted stocks					
"	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
	3,037,463	Asset-Based Approach	Not applicable	Not applicable	Not applicable
Foreign privately offered fund					
	December 31, 2023		Significant unobservable inputs		Relationship between inputs and fair value
	<u>Fair value</u>	<u>Valuation techniques</u>		<u>Interval</u>	
Investment Real Estate	\$ 4,025,693	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
	700	Asset-Based Approach	Not applicable	Not applicable	Not applicable
Domestic unlisted stocks					
"	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
	3,030,078	Asset-Based Approach	Not applicable	Not applicable	Not applicable
Foreign privately offered fund					

	March 31, 2023		Significant unobservable inputs		Relationship between inputs and fair value
	<u>Fair value</u>	<u>Valuation techniques</u>		<u>Interval</u>	
Investment Real Estate	\$ 3,910,817	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.
"	4,646,696	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	34,078	Market approach	Discount for lack of marketability	22.61%	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
"	92,460	Market approach	Discount for lack of marketability	20.34%~28.04%	The higher the degree of lack of liquidity, the lower the fair value estimate
Foreign privately offered fund	3,084,109	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 Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurements. For financial assets classified as Level 3, if there is a change in the valuation parameters, then the impact on profit or loss or other comprehensive income is as follows:

		<u>March 31, 2024</u>			<u>March 31, 2024</u>	
		<u>Recognized in profit and loss</u>			<u>Recognized as other comprehensive income</u>	
	<u>Inputs</u>	<u>Changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>
Financial assets						
Equity Instrument	Discount for lack of marketability	±10%	\$ -	\$ -	\$ 15,465	(\$ 15,465)
Debt instrument	Discount for lack of marketability	±10%	\$ 303,746	(\$ 303,746)	\$ -	\$ -
		<u>December 31, 2023</u>			<u>December 31, 2023</u>	
		<u>Recognized in profit and loss</u>			<u>Recognized as other comprehensive income</u>	

		<u>loss</u>		<u>comprehensive income</u>		
	<u>Inputs</u>	<u>Changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>
Financial assets						
Equity Instrument	Discount for lack of marketability	±10%	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,465</u>	<u>(\$ 15,465)</u>
Debt instrument	Discount for lack of marketability	±10%	<u>\$ 303,008</u>	<u>(\$ 303,008)</u>	<u>\$ -</u>	<u>\$ -</u>

		<u>March 31, 2023</u>		<u>March 31, 2023</u>		
		<u>Recognized in profit and loss</u>		<u>Recognized as other comprehensive income</u>		
	<u>Inputs</u>	<u>Changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>
Financial assets						
Equity Instrument	Discount for lack of marketability	±10%	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,724</u>	<u>(\$ 12,724)</u>
Debt instrument	Discount for lack of marketability	±10%	<u>\$ 308,411</u>	<u>(\$ 308,411)</u>	<u>\$ -</u>	<u>\$ -</u>

XIII. Separately Disclosed Items

(I) Significant transaction information

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

(II) Information on Investees

Names, locations and other information of investees (not including investees in China): Please refer to Table 3.

(III) Information on Investments in China

1. Basic information: Please refer to Table 4.

2. Significant transactions that occur directly or indirectly through a business in a third region and investees in China: Please refer to Table 4.

(IV) Information on main investors

Information on main investors: Please refer to Table 5.

XIV. Information on Departments

(I) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group's Chief Operating Decision-Maker operate businesses and evaluate departmental performance from an industry perspective; the Group currently focuses on the textile, retail, hypermarket, construction, and investment businesses.

(II) Information on Departments

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	<u>January 1 to March 31, 2024</u>						
	<u>Textile segment</u>	<u>Retail segment</u>	<u>Hypermarket segment</u>	<u>Construction segment</u>	<u>Investment segment</u>	<u>Internal write- off</u>	<u>Total</u>
Revenue from external customers	\$ 205,142	\$ 156,194	\$ 316,472	\$ 24,608	\$ 15	\$ -	\$ 702,431
Internal revenue	<u>22,332</u>	<u>9,224</u>	<u>-</u>	<u>3,623</u>	<u>1,536</u>	<u>(36,715)</u>	<u>-</u>
Departmental revenue	<u>\$ 227,474</u>	<u>\$ 165,418</u>	<u>\$ 316,472</u>	<u>\$ 28,231</u>	<u>\$ 1,551</u>	<u>(\$ 36,715)</u>	<u>\$ 702,431</u>
Operating net income (loss) from the department to be reported	<u>(\$ 7,077)</u>	<u>(\$ 374)</u>	<u>(\$ 600)</u>	<u>\$ 18,978</u>	<u>(\$ 1,382)</u>	<u>\$ -</u>	<u>\$ 9,545</u>
Share of profit or loss on associates accounted for using the equity method	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,447,485</u>	<u>(\$ 21,683)</u>	<u>\$ 4,425,802</u>
Dividend income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,086</u>	<u>\$ -</u>	<u>\$ 3,086</u>
Financial Costs	<u>(\$ 34,176)</u>	<u>(\$ 27)</u>	<u>(\$ 501)</u>	<u>(\$ 2,897)</u>	<u>\$ -</u>	<u>\$ 486</u>	<u>(\$ 37,115)</u>
Interest revenue	<u>\$ 6,012</u>	<u>\$ 3</u>	<u>\$ 14</u>	<u>\$ 74</u>	<u>\$ 27,908</u>	<u>(\$ 14)</u>	<u>\$ 33,997</u>
	<u>January 1 to March 31, 2023</u>						
	<u>Textile segment</u>	<u>Retail segment</u>	<u>Hypermarket segment</u>	<u>Construction segment</u>	<u>Investment segment</u>	<u>Internal write- off</u>	<u>Total</u>
Revenue from external customers	\$ 267,714	\$ 151,357	\$ 307,661	\$ 23,133	\$ 311	\$ -	\$ 750,176
Internal revenue	<u>75,416</u>	<u>9,882</u>	<u>-</u>	<u>3,622</u>	<u>104</u>	<u>(89,024)</u>	<u>-</u>

Departmental revenue	<u>\$</u> <u>343,130</u>	<u>\$</u> 161,239	<u>\$</u> 307,661	<u>\$</u> 26,755	<u>\$</u> <u>415</u>	<u>(\$</u> 89,024)	<u>\$</u> <u>750,176</u>
Operating net income (loss) from the department to be reported	<u>\$</u> <u>3,347</u>	<u>\$</u> 11,073	<u>\$</u> 1,331	<u>\$</u> 17,183	<u>(\$</u> <u>964</u>)	<u>\$</u> -	<u>\$</u> <u>31,970</u>
Share of profit or loss on associates accounted for							
using the equity method	<u>\$</u> <u>-</u>	<u>\$</u> <u>-</u>	<u>\$</u> -	<u>\$</u> -	<u>\$</u> <u>189,882</u>	<u>(\$</u> 13,362)	<u>\$</u> <u>176,520</u>
Dividend income	<u>\$</u> <u>-</u>	<u>\$</u> <u>-</u>	<u>\$</u> -	<u>\$</u> -	<u>\$</u> <u>2,428</u>	<u>\$</u> -	<u>\$</u> <u>2,428</u>
Financial Costs	<u>(\$</u> <u>67,516</u>)	<u>(\$</u> <u>4</u>)	<u>(\$</u> 574)	<u>(\$</u> 2,463)	<u>\$</u> <u>-</u>	<u>\$</u> 523	<u>(\$</u> <u>70,034</u>)
Interest revenue	<u>\$</u> <u>128,549</u>	<u>\$</u> <u>3</u>	<u>\$</u> 13	<u>\$</u> 9	<u>\$</u> <u>7,250</u>	<u>(\$</u> 13)	<u>\$</u> <u>135,811</u>

(III) Reconciliation for segment income (loss)

1. The Group's business in the textile department, retail department, and construction department are determined as negotiated by the participating parties; sales made by the Wholesale Business Department are handled as regular sales. The revenue from external parties reported to the Chief Operating Decision-Maker is measured in a manner consistent with the revenue in comprehensive income statements.
2. Reconciliation for segment income (loss) and profit before tax from continuing operations for the periods from January 1 to March 31, 2024 and 2013 is as follows:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Income/loss from the department to be reported	<u>\$ 9,545</u>	<u>\$ 31,970</u>
Total	9,545	31,970
Share of profit or loss on associates accounted for using the equity method	4,425,802	176,520
Financial Costs	(37,115)	(70,034)
Interest revenue	33,997	135,811
Other income	13,781	12,249
Other gains and losses	<u>67,945</u>	<u>(89,092)</u>
Income before tax from continuing operations	<u>\$ 4,513,955</u>	<u>\$ 197,424</u>

Ruentex Industries Ltd. and Subsidiaries

Securities held at the end of the period (not including investments in subsidiaries, associates and jointly controlled entities)

March 31, 2024

Attached Table 1

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

				End of the period					
Type and name of the securities		Relationship with the issuer of securities		Carrying amount				Remark	
<u>Company holding the securities</u>	<u>(Note 1)</u>	<u>(Note 2)</u>	<u>Account recognized</u>	<u>Shares</u>	<u>(Note 3)</u>	<u>Shareholding percentage</u>	<u>Fair value</u>	<u>(Note 4)</u>	
Ruentex Industries Ltd.	Magi Capital Fund II, L.P.	-	Financial assets at fair value through profit or loss - non-current	-	\$ 253,556	5.23	\$ 253,556		
	HOPU USD MASTER FUND III, L.P.	-	”	-	2,783,907	3.80	2,783,907		
	Shares of Ruentex Engineering & Construction Co., Ltd.	A subordinate company of the investee accounted for under the equity method	Financial assets at fair value through other comprehensive income - non-current	16,821,685	2,598,950	9.10	2,598,950		
	Shares of Save & Safe Corporation	-	”	4,267,233	81,120	2.51	81,120		
	Shares of Ruentex Interior Design Inc.	-	”	333,773	53,490	2.47	53,490		
	Shares of Huiyang Venture Capital Co., Ltd.	-	”	70,000	700	2.56	700		
	Shares of Uni Airways Corporation	-	”	695,077	19,337	0.18	19,337		
	Shares of Pacific Resources Corporation	-	”	7,886	-	1.05	-		
	Shares of Brogent Technologies Inc.	-	”	3,230,310	366,640	4.98	366,640	Note 8	
	Shares of TaiMed Biologics	-	”	10,910,228	954,645	4.00	954,645	Notes 7 and 9	
	Shares of OBI Pharma, Inc.	-	”	9,358,385	586,771	4.08	586,771	Note 5	
	Shares of Sunny Friend Environmental Technology Co., Ltd.	-	”	3,994,233	389,837	3.07	389,837	Note 6	
	Shares of Tanvex BioPharma, Inc.	-	”	3,500,000	170,450	2.61	170,450		
	Shares of Ruentex Materials Co., Ltd.	The Company is a juridical person director of the company.	”	7,139,530	185,628	4.76	185,628		
	Subordinated debts of Nan Shan Life Insurance	One of the Company’s affiliates is a controlled company of the company.	Amortized cost financial Assets - non-Current	-	250,000	-	250,000		
Gin-Hong Investment Co., Ltd.	Shares of Ruentex Industries Ltd.	The Company	Financial assets at fair value through other comprehensive income - non-current	36,593,388	2,173,647	3.31	2,173,647		
Concord Greater China Limited.	Shares of Sun Art Retail Group Ltd.	-	”	231,204,324	1,475,169	2.42	1,475,169		
Sinopac Global Investment Ltd.	Shares of Asensus Surgical (ASXC)	-	”	15,333	113	0.01	113		
	OPKO Health Inc.Shares of (OPK)	-	”	4,571,665	175,552	0.66	175,552		
	Gogoro Inc.Shares of (GGR)	-	”	41,647	2,452	0.02	2,452		

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 NT\$501,600 thousand was pledged to financial institutions for financing loans.

Note 6: The provision of 2,310 thousand shares, a total of NT\$225,456 thousand was pledged to financial institutions for financing loans.

Note 7: The provision of 6,700 thousand shares, a total of NT\$586,250 thousand was pledged to financial institutions for financing loans.

Note 8: The provision of 3,230 thousand shares, a total of NT\$366,640 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.

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 March 31, 2024

Attached Table 2

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

				<u>Transaction information</u>		As a percentage of the consolidated total operating revenue or total assets	
No.	<u>Name of the transaction party</u>	<u>Transaction counterparty</u>	Relationship with the transaction party <u>(Note 2)</u>	<u>Account</u>	<u>Amount</u>	<u>Terms and conditions of transaction</u>	<u>(Note 3)</u>
<u>(Note 1)</u> Zero	Ruentex Industries Ltd.	Kompass Global Sourcing Solutions Ltd.	1	Sales revenue	\$ 11,469	Notes 4	1.63
1	Ruentex Industries Ltd. (Shanghai)	Ruentex Industries Ltd.	2	Sales revenue	20,077	”	0.02
”	”	”	2	Accounts receivable	10,973	”	0.01

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

- (1) Please fill in “0” for the parent.
- (2) Please fill in the Arabic numeral sequentially numbered starting from 1 for the subsidiaries according to the company type.
- Note 2: There are three types of the relationship with the transaction party as follows. Please indicate the type only (In the case of the same transaction between the parent or subsidiaries, or between its subsidiaries, duplicate disclosure is not required. For example, in the case of the transaction between the parent or its subsidiary, if the parent has disclosed the information, the subsidiary does not require making a duplicate disclosure;
In the case of the transaction between the subsidiaries, if one of the subsidiaries has disclosed the information, the other subsidiary does not require making a duplicate disclosure.):
- (1) Parent and its subsidiary
- (2) Subsidiary and its parent
- (3) Subsidiary and the other subsidiary

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

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

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 March 31, 2024

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

Attached Table 3

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	\$ 23,854,736	\$ 6,317,340	\$ 1,623,607		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	29,487,699	0.21	775,901	13,480,057	28,753		The investee company accounted for under the equity method
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	10,150	(1,762)	(705)		The investee company accounted for under 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	292,750	1,360	918		Subsidiary of the Company
Ruentex Industries Ltd.	Kompass Global Sourcing Solutions Ltd.	Taiwan	International Trade	173,800	173,800	4,263,708	100.00	63,301	4,356	4,356		Subsidiary of the Company
Ruentex Industries Ltd.	Gin-Hong Investment Co., Ltd.	Taiwan	General Investment	170,500	170,500	17,050,000	55.00	5,356	(297)	(164)		Subsidiary of the Company
Ruentex Industries Ltd.	Ruen Chen Investment Holdings Ltd.	Taiwan	General Investment	17,884,800	17,884,800	7,173,010,000	23.00	64,553,909	12,061,507	2,774,147		The investee company accounted for under the equity method (Note 2 and 8)
Ruentex Industries Ltd.	Full Shine International Holdings Ltd.	British Virgin Islands (BVI)	General Investment	536,074	536,074	19,500,000	100.00	1,780,717	12,092	12,092		Subsidiary of the Company
Ruentex Industries Ltd.	Concord Greater China Limited.	British Virgin Islands (BVI)	General Investment	672,764	672,764	17,580,000	42.25	1,051,361	9,906	4,185		Subsidiary of the Company
Ruentex Industries Ltd.	Gold Leaf International Group Co., Ltd.	British Virgin Islands (BVI)	International Trade	17,223	17,223	500,000	100.00	9,533	69	69		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	33,827	45	45		Subsidiary of the Company
Ruentex Industries Ltd.	New Zone International Limited.	Samoan Islands	General Investment	438,416	438,416	13,792,000	100.00	106,691	184	184		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	838,659	11,859	5,817		Sub-subsiidiary of the Company
Sinopac Global Investment Ltd.	Concord Greater China Limited.	British Virgin Islands (BVI)	General Investment	807,135	807,135	6,452,000	15.51	385,858	9,906	1,536		Subsidiary of the Company

Note 1: The provision of 81,180 thousand shares, a total of NT\$2,649,193 thousand was pledged to financial institutions for financing loans.

Note 2: The provision of 714,163 thousand shares, a total of NT\$6,427,152 thousand was pledged to financial institutions for financing loans.

Note 3: The record date of cash capital reduction of Ruentex Development was August 15, 2023.

Ruentex Industries Ltd. and Subsidiaries
Information of investments in mainland China-Basic information
January 1 to March 31, 2024

Attached Table 4

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

<u>Name of the invested companies in China</u>	<u>Main business items</u>	<u>Paid-in capital</u>	<u>Investment method</u>	The accumulated amount remitted from Taiwan to invest in China at the beginning of the current period	The investment amount remitted out or back for the current period	<u>Remit out</u>	<u>Remit back</u>	The accumulated amount remitted from Taiwan at the end of the current period	Current profit and loss of the investee company	Shareholding percentage of direct or indirect investment by the Company	Gains and losses on investment recognized for the current period	Carrying amount of investments at the end for the period	Investment income remitted back by the end of the current period	<u>Remark</u>
Ruentex Industries Ltd. (Shanghai)	Production and sales of garment products	\$ 569,600	Note 1	\$ 569,600	\$ -	\$ -	\$ -	\$ 569,600	\$ 261	100.00	\$ 261	\$ 135,332	\$ -	Note 2(2)3, Note 4
		(USD 17,800)		(USD 17,800)				(USD 17,800)						

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

Note 2: In the column of gains and losses on investment recognized for the current period:

(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 statements reviewed by an international accounting firm having a business cooperation relationship with an ROC accounting firm.

2. The financial statements reviewed by a certified public accountant of the parent in Taiwan.

3. Other financial statements that have not been reviewed 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
\$ 2,001,676 (USD 59,645 thousand) (EUR 2,700,000)	\$ 2,072,640 (USD 64,770 thousand)	\$ 63,206,552

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				
March 31, 2024				
Attached Table 5				
	<u>Name of Major Shareholders</u>	<u>Number of shares held (Note)</u>	<u>Shares</u>	<u>Shareholding percentage (Note)</u>
Ruentex Development Co., Ltd.		157,697,626		14.28