

Ruentex Industries Ltd. and Subsidiaries  
Consolidated Financial Statements  
for the Nine Months Ended September 30, 2024  
and 2023 and Independent Auditors' Review  
Report  
(Stock Code: 2915)

Address: 13F.-1, No. 308, Sec. 2, Bade Rd., Zhongshan  
Dist., Taipei City  
Tel: (02)8161-7999

Ruentex Industries Ltd. and Subsidiaries  
Consolidated Financial Statements for the Nine Months Ended September 30, 2024 and  
2023 and Independent Auditors' Review Report  
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## Independent Auditors' Review Report

(113) Cai-Shen-Bao-Zi No. 24002240

To Ruentex Industries Ltd.:

### **Foreword**

We have reviewed the consolidated balance sheets of Ruentex Industries Ltd. and its subsidiaries (hereinafter referred to as "the Group") as of September 30, 2024 and 2023, the consolidated comprehensive income statements for the three and nine months ended September 30, 2024 and 2023, and consolidated statement of changes in equity and of consolidated statement of cash flows for the nine months ended September 30, 2024 and 2023, and the notes to the consolidated financial report (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 non-material subsidiaries for the same period included in the above consolidated financial statements have not been reviewed by CPAs. As of September 30, 2024 and 2023, their total assets amounted to NT\$5,969,631 thousand and NT\$5,836,021 thousand, respectively, or 4.903% and 5.328% of consolidated total assets; their total

liabilities were NT\$40,988 thousand and NT\$31,753 thousand, respectively, or 0.333% and 0.155% of consolidated total liabilities; their total comprehensive income (loss) for the three and nine months ended September 30, 2024 and 2023 was NT\$340,886 thousand, NT\$(381,543) thousand, NT\$432,558 thousand, and NT\$(804,403) thousand, respectively, or 14.953%, 8.578%, 3.084%, and 9.043% of the absolute values of consolidated comprehensive income, respectively. 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 September 30, 2024 and 2023 was NT\$9,257 thousand and NT\$0 thousand, respectively, or 0.008% and 0.000% 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\$(720) thousand, NT\$(101) thousand, NT\$(1,598) thousand, and NT\$(2,669) thousand, for the three and nine months ended September 30, 2024 and 2023, respectively, constituting 0.032%, 0.002%, 0.011%, and 0.030% of the absolute values of the consolidated comprehensive income, respectively.

### **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 September 30, 2024 and 2023, the consolidated financial performance for the three and nine months ended September 30, 2024 and 2023, and consolidated cash flows for the nine months ended September 30, 2024 and 2023.

PwC Taiwan

Shu-chiung Chang

Certified Public Accountant

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

November 12, 2024

Ruentex Industries Ltd. and Subsidiaries  
Consolidated Balance Sheet  
September 30, 2024, December 31, and September 30

Unit: NT\$ thousand

			September 30, 2024		December 31, 2023		September 30, 2023				
			Amount	%	Amount	%	Amount	%			
Assets											
Notes											
Current Assets											
1100	Cash and cash equivalents	6(1)	\$	3,692,822	3	\$	7,248,962	6	\$	9,004,216	8
1136	Financial assets measured by	6(6)									
	amortized cost - current			94,587	-		30,220	-		22,095	-
1150	Net bills receivable	6(2)		406	-		319	-		407	-
1160	Bills receivable - related	6(2) and 7									
	parties - net			316	-		840	-		499	-
1170	Net Accounts Receivable	6(2) and 12									
		(2)		133,450	-		155,839	-		130,914	-
1180	Accounts receivable - related	6(2), 7 and									
	parties - net	12(2)		2,011	-		1,220	-		1,369	-
1200	Other receivables			15,200	-		33,454	-		64,955	-
1210	Other Receivables - related	7									
	party			4,284	-		6,746	-		817,155	1
130X	Inventories	6(3) and 8		603,052	1		512,752	1		537,706	1
1410	Prepayments			41,181	-		20,669	-		45,414	-
1460	Non-current assets held for	6(13)									
	sale, net			113,425	-		-	-		-	-
1470	Other Current Assets			540	-		571	-		469	-
11XX	Total current assets			4,701,274	4		8,011,592	7		10,625,199	10
Non-current assets											
1510	Financial assets at fair value	6(4)									
	through profit or loss - non-										
	current			3,275,768	3		3,030,078	3		3,125,859	3
1517	Financial assets at fair value	6(5), 7 and									
	through other comprehensive	8									
	income - non-current			8,933,974	7		6,301,163	5		6,536,397	6
1535	Amortized cost financial	6(6) and 8									
	Assets - non-Current			317,800	-		4,522,468	4		4,680,185	4
1550	Investments accounted for	6(7), 7 and									
	using equity method	8		92,988,076	76		82,837,117	71		73,502,625	67
1600	Property, plant, and equipment	6(8) and 8		1,255,939	1		1,378,709	1		1,388,482	1
1755	Right-of-use assets	6(9)		62,851	-		100,580	-		106,272	-
1760	Net value of investment	6(11) and 8									
	properties			9,130,665	8		8,801,563	8		8,580,672	8
1780	Intangible Assets	6(12)		1,501	-		862	-		1,187	-
1840	Deferred tax Assets			1,009,315	1		1,011,821	1		919,483	1
1900	Other non-current Assets	6(2)(14)		80,560	-		74,272	-		73,367	-
15XX	Total non-current assets			117,056,449	96		108,058,633	93		98,914,529	90
1XXX	Total Assets		\$	121,757,723	100	\$	116,070,225	100	\$	109,539,728	100

(Continued)

Ruentex Industries Ltd. and Subsidiaries  
Consolidated Balance Sheet  
September 30, 2024, December 31, and September 30

Unit: NT\$ thousand

Liabilities and Equity			September 30, 2024		December 31, 2023		September 30, 2023	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2100	Short-term borrowings	6(15) and 8	\$ 550,000	1	\$ 350,000	-	\$ 700,000	1
2130	Contract liabilities - current	6(24)	36,907	-	35,563	-	26,707	-
2150	Notes payable		126,693	-	97,385	-	143,535	-
2160	Notes payable - related party	7	32	-	388	-	30	-
2170	Accounts Payable		270,122	-	203,800	-	263,826	-
2180	Accounts payable - related party	7	17	-	8	-	16	-
2200	Other payables	6(16)	224,462	-	277,149	-	244,899	-
2220	Other Payable - Related Party	7	932	-	2,165	-	763	-
2230	Income tax liabilities of current period		165,946	-	594	-	21,385	-
2280	Lease liabilities - current	6(9)	40,349	-	51,390	-	49,941	-
2320	Long-term liabilities due within one year or one operating cycle	6(17) and 8	1,045,000	1	850,000	1	1,820,000	2
2399	Other current liabilities - other		8,594	-	11,595	-	8,778	-
21XX	Total Current Liabilities		2,469,054	2	1,880,037	1	3,279,880	3
Non-current liabilities								
2540	Long-term borrowings	6(17) and 8	7,350,000	6	13,795,000	12	14,950,000	14
2570	Deferred income tax liabilities		1,613,850	1	1,434,108	1	1,489,950	1
2580	Lease liabilities - non-current	6(9)	23,326	-	50,489	-	57,641	-
2600	Other non-Current liabilities	6(18)	847,277	1	790,761	1	772,473	1
25XX	Total Non-Current Liabilities		9,834,453	8	16,070,358	14	17,270,064	16
2XXX	Total Liabilities		12,303,507	10	17,950,395	15	20,549,944	19
Equity								
Equity attributed to owners of the parent								
3110	Share capital	6(20)	11,043,188	9	11,043,188	9	11,043,188	10
3200	Capital surplus	6(21)	28,252,626	23	28,171,512	24	28,171,468	26
	Retained earnings	6(22)						
3310	Legal reserve		4,518,212	4	3,780,852	3	3,780,852	3
3320	Special reserve		65,674,032	54	76,379,565	66	76,379,565	70
3350	Undistributed earnings		26,181,336	21	7,373,600	6	11,216,024	10
3400	Other equities	6(23)	( 28,042,970)	( 22)	( 30,142,877)	( 25)	( 43,442,411)	( 39)
3500	Treasury stock	6(20)	( 552,479)	( 1)	( 552,479)	-	( 552,479)	( 1)
31XX	Total equity attributable to owners of parent		107,073,945	88	96,053,361	83	86,596,207	79
36XX	Non-controlling Interest	6(33)	2,380,271	2	2,066,469	2	2,393,577	2
3XXX	Total Equity		109,454,216	90	98,119,830	85	88,989,784	81
Significant Contingent Liabilities and Unrecognized Commitments		9						
Significant subsequent events		11						
3X2X	Total Liabilities and Equity		\$ 121,757,723	100	\$ 116,070,225	100	\$ 109,539,728	100

The accompanying notes are an 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 September 30, 2024 and 2023

										Unit: NT\$ thousand
										(Except earnings per share, which is in NT\$)
Item	Notes	July 1 to September 30, 2024		July 1 to September 30, 2023		January 1 to September 30, 2024		January 1 to September 30, 2023		
		Amount	%	Amount	%	Amount	%	Amount	%	
4000 Operating Revenue	6(24) and 7	\$ 704,914	100	\$ 677,721	100	\$ 2,049,801	100	\$ 2,108,015	100	
5000 Operation cost	6(3)(25)									
	(30)(31) and 7	( 481,473)	( 69)	( 437,620)	( 65)	( 1,362,646)	( 67)	( 1,401,531)	( 67)	
5900 Gross profit		<u>223,441</u>	<u>31</u>	<u>240,101</u>	<u>35</u>	<u>687,155</u>	<u>33</u>	<u>706,484</u>	<u>33</u>	
Operating Expenses	6(30)(31)									
6100 Selling expenses		( 146,001)	( 21)	( 151,458)	( 22)	( 441,886)	( 21)	( 446,039)	( 21)	
6200 General & administrative expenses		( 58,368)	( 8)	( 83,188)	( 12)	( 178,968)	( 9)	( 192,096)	( 9)	
6450 Expected credit impairment gains	6(30) and 12(2)	<u>34</u>	<u>-</u>	<u>560</u>	<u>-</u>	<u>95</u>	<u>-</u>	<u>548</u>	<u>-</u>	
6000 Total Operating Expenses		( 204,335)	( 29)	( 234,086)	( 34)	( 620,759)	( 30)	( 637,587)	( 30)	
6900 Operating Profit		<u>19,106</u>	<u>2</u>	<u>6,015</u>	<u>1</u>	<u>66,396</u>	<u>3</u>	<u>68,897</u>	<u>3</u>	
Non-operating Income and Expenses										
7100 Interest revenue	6(26) and 7	38,703	6	146,603	22	111,375	6	421,312	20	
7010 Other income	6(27) and 7	122,700	17	181,007	27	151,864	8	230,005	11	
7020 Other gains and losses	6(28)	( 5,808)	( 1)	339,762	50	602,759	29	521,612	25	
7050 Financial Costs	6(29)	( 44,112)	( 6)	( 74,084)	( 11)	( 116,517)	( 6)	( 216,505)	( 10)	
7060 Share of income of associates and joint ventures	6(7)									
accounted for using the equity method		<u>3,228,025</u>	<u>458</u>	<u>6,049,015</u>	<u>892</u>	<u>11,151,059</u>	<u>544</u>	<u>10,436,606</u>	<u>495</u>	
7000 Total non-operating income and expenses		<u>3,339,508</u>	<u>474</u>	<u>6,642,303</u>	<u>980</u>	<u>11,900,540</u>	<u>581</u>	<u>11,393,030</u>	<u>541</u>	
7900 <b>Net profit before tax</b>		<u>3,358,614</u>	<u>476</u>	<u>6,648,318</u>	<u>981</u>	<u>11,966,936</u>	<u>584</u>	<u>11,461,927</u>	<u>544</u>	
7950 Income tax expense	VI (32)	( 2,581)	-	( 65,523)	( 10)	( 277,102)	( 14)	( 180,750)	( 9)	
8200 <b>Net income of current period</b>		<u>\$ 3,356,033</u>	<u>476</u>	<u>\$ 6,582,795</u>	<u>971</u>	<u>\$ 11,689,834</u>	<u>570</u>	<u>\$ 11,281,177</u>	<u>535</u>	

(Continued)

Ruentex Industries Ltd. and Subsidiaries  
Consolidated Statements of Comprehensive Income  
January 1 to September 30, 2024 and 2023

Unit: NT\$ thousand											
(Except earnings per share, which is in NT\$)											
		July 1 to September 30, 2024		July 1 to September 30, 2023		January 1 to September 30, 2024		January 1 to September 30, 2023			
Item	Notes	Amount	%	Amount	%	Amount	%	Amount	%		
<b>Other comprehensive income (net)</b>											
<b>Items not to be reclassified into profit or loss</b>											
8316	Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(5)		\$ 931,287	132	(\$ 1,210,144)	( 179)	\$ 2,192,791	107	(\$ 1,153,555)	( 55)
8320	Share of other comprehensive income of associates and joint ventures accounted for under equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(23)		191,040	27	( 135,345)	( 20)	425,209	21	( 12,354)	-
8349	Income tax relating to non-reclassified items	VI (32)		207,188	29	( 16,237)	( 2)	66,055	3	1,999	-
8310	Total of items not to be reclassified into profit or loss			1,329,515	188	( 1,361,726)	( 201)	2,684,055	131	( 1,163,910)	( 55)
<b>Items may be reclassified subsequently to profit or loss</b>											
8361	Exchange differences on translating foreign operations			( 119,758)	( 17)	204,573	30	137,730	7	276,326	13
8370	Share of other comprehensive income of associates and joint ventures accounted for using the equity method - items that may be reclassified subsequently to profit or loss	6(23)		( 2,038,084)	( 289)	( 9,926,504)	( 1464)	( 349,074)	( 17)	( 1,546,062)	( 73)
8399	Income tax related to items may be reclassified into profit or loss	VI (32)		( 247,944)	( 35)	52,841	8	( 138,676)	( 7)	47,380	2
8360	Total of items may be reclassified subsequently to profit or loss			( 2,405,786)	( 341)	( 9,669,090)	( 1426)	( 350,020)	( 17)	( 1,222,356)	( 58)
8300	<b>Other comprehensive income (net)</b>			(\$ 1,076,271)	( 153)	(\$ 11,030,816)	( 1627)	\$ 2,334,035	114	(\$ 2,386,266)	( 113)
8500	<b>Total comprehensive income for this period</b>			\$ 2,279,762	323	(\$ 4,448,021)	( 656)	\$ 14,023,869	684	\$ 8,894,911	422
Profit attributable to:											
8610	Owners of the parent			\$ 3,334,971	473	\$ 6,555,831	967	\$ 11,606,696	566	\$ 11,215,786	532
8620	Non-controlling Interest			\$ 21,062	3	\$ 26,964	4	\$ 83,138	4	\$ 65,391	3
Comprehensive Income attributed to:											
8710	Owners of the parent			\$ 2,144,178	304	(\$ 4,338,446)	( 640)	\$ 13,700,267	668	\$ 9,123,443	433
8720	Non-controlling Interest			\$ 135,584	19	(\$ 109,575)	( 16)	\$ 323,602	16	(\$ 228,532)	( 11)
Earnings per share											
9750	Basic earnings per share	6(34)		\$ 3.20		\$ 6.28		\$ 11.12		\$ 10.75	
9850	Diluted earnings per share			\$ 3.19		\$ 6.28		\$ 11.12		\$ 10.74	

The accompanying notes are an 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 September 30, 2024 and 2023

Unit: NT\$ thousand

		Equity attributed to owners of the parent									
		Retained earnings									
	Notes	Share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Other equities	Treasury stock	Total	Non-controlling Interest	Total Equity
<u>January 1 to September 30, 2023</u>											
Balance on January 1, 2023		\$ 11,043,188	\$ 28,091,265	\$ 4,601,302	\$ 13,067,008	\$ 64,700,745	(\$ 41,349,830 )	(\$ 552,479 )	\$ 79,601,199	\$ 2,677,309	\$ 82,278,508
Net income of current period	6(22)(33)	-	-	-	-	11,215,786	-	-	11,215,786	65,391	11,281,177
Other comprehensive income	6(22)(23)(33)	-	-	-	-	( 48 )	( 2,092,295 )	-	( 2,092,343 )	( 293,923 )	( 2,386,266 )
Total comprehensive income for this period		-	-	-	-	11,215,738	( 2,092,295 )	-	9,123,443	( 228,532 )	8,894,911
Appropriation and distribution of the earnings for 2022:											
Legal reserve		-	-	1,388,188	-	( 1,388,188 )	-	-	-	-	-
Special reserve		-	-	-	63,312,557	( 63,312,557 )	-	-	-	-	-
Cash dividends		-	-	( 2,208,638 )	-	-	-	-	( 2,208,638 )	-	( 2,208,638 )
Cash dividends received by subsidiaries from the parent company	6(21)	-	40,253	-	-	-	-	-	40,253	-	40,253
Overdue dividends not collected by shareholders	6(21)	-	14,320	-	-	-	-	-	14,320	-	14,320
Changes in associates & joint ventures accounted for using equity method	6(21)(22)(23)	-	25,607	-	-	35	( 35 )	-	25,607	-	25,607
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	6(21)(22)(23)	-	-	-	-	251	( 251 )	-	-	-	-
Gains after disgorgement exercised	6(21)	-	23	-	-	-	-	-	23	-	23
Decrease in non-controlling interests	6(33)	-	-	-	-	-	-	-	-	( 55,200 )	( 55,200 )
Balance on September 30, 2023		\$ 11,043,188	\$ 28,171,468	\$ 3,780,852	\$ 76,379,565	\$ 11,216,024	(\$ 43,442,411 )	(\$ 552,479 )	\$ 86,596,207	\$ 2,393,577	\$ 88,989,784
<u>January 1 to September 30, 2024</u>											
Balance on January 1, 2024		\$ 11,043,188	\$ 28,171,512	\$ 3,780,852	\$ 76,379,565	\$ 7,373,600	(\$ 30,142,877 )	(\$ 552,479 )	\$ 96,053,361	\$ 2,066,469	\$ 98,119,830
Net income of current period	6(22)(33)	-	-	-	-	11,606,696	-	-	11,606,696	83,138	11,689,834
Other comprehensive income	6(22)(23)(33)	-	-	-	-	-	2,093,571	-	2,093,571	240,464	2,334,035
Total comprehensive income for this period		-	-	-	-	11,606,696	2,093,571	-	13,700,267	323,602	14,023,869
Appropriation and distribution of the earnings for 2023:											
Legal reserve		-	-	737,360	-	( 737,360 )	-	-	-	-	-
Special reserve		-	-	-	( 10,705,533 )	10,705,533	-	-	-	-	-
Cash dividends		-	-	-	-	( 2,760,797 )	-	-	( 2,760,797 )	-	( 2,760,797 )
Cash dividends received by subsidiaries from the parent company	6(21)	-	50,316	-	-	-	-	-	50,316	-	50,316
Overdue dividends not collected by shareholders	6(21)	-	11,503	-	-	-	-	-	11,503	-	11,503
Changes in associates & joint ventures accounted for using equity method	6(21)(22)(23)	-	19,031	-	-	( 1,296 )	1,296	-	19,031	-	19,031
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	6(21)(22)(23)	-	-	-	-	( 5,040 )	5,040	-	-	-	-
Amount not recognized in proportion to the shareholding	6(21)	-	264	-	-	-	-	-	264	-	264
Decrease in non-controlling interests	6(33)	-	-	-	-	-	-	-	-	( 9,800 )	( 9,800 )
Balance on September 30, 2024		\$ 11,043,188	\$ 28,252,626	\$ 4,518,212	\$ 65,674,032	\$ 26,181,336	(\$ 28,042,970 )	(\$ 552,479 )	\$ 107,073,945	\$ 2,380,271	\$ 109,454,216

The accompanying notes are an integral part of these consolidated financial statements.  
Manager: Hsu, Chih-Chang

Accounting Manager: CHANG, Hsiu-Yen

Chairman: Hsu, Sheng-Yu

Ruentex Industries Ltd. and Subsidiaries  
Consolidated Statement of Cash Flow  
January 1 to September 30, 2024 and 2023

Unit: NT\$ thousand  
January 1 to  
September 30, 2023

	Notes	January 1 to September 30, 2024	January 1 to September 30, 2023
Cash flows from operating activities			
Profit before Income Tax current period		\$ 11,966,936	\$ 11,461,927
Adjustments			
Income and expenses			
Depreciation expense	6 (30)	72,819	74,926
Amortization	6 (30)	1,179	2,038
Gain on reversal of expected credit impairment loss	6 (30)	( 95 )	( 548 )
Gains on Financial assets at fair value through profit or loss	6 (28)	( 206,908 )	( 16,486 )
Interest Cost	6 (29)	116,517	216,505
Dividend income	6 (24)		
	(27)	( 180,417 )	( 272,927 )
Interest revenue	6 (26)	( 111,375 )	( 421,312 )
Share of income of associates and joint ventures accounted for using the equity method	6 (7)		
		( 11,151,059 )	( 10,436,606 )
Gains on disposals of real estate, plant and equipment	6 (28)	( 1,380 )	( 1,304 )
Gain on fair value change of investment property	6 (28)	( 329,102 )	( 23,159 )
Gains on lease modifications	6 (28)	-	91 )
Gain from the price recovery of inventory declines	6 (3) (30)	( 22,871 )	( 28,938 )
Net foreign exchange gains		( 209,088 )	( 409,780 )
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		( 38,782 )	( 17,301 )
Notes receivable		( 87 )	( 27 )
Notes Receivable – related party		524	( 385 )
Accounts receivable		23,818	76,471
Accounts receivable - related party		( 431 )	( 225 )
Other receivables		1,531	( 5,875 )
Other receivables - related Party		275	( 503 )
Inventories		( 67,357 )	25,129
Prepayments		( 20,220 )	12,016
Other Current Assets		31	16
Net defined benefit asset (listed as “non-current assets”)		( 2,319 )	( 2,658 )
Net change in liabilities related to operating activities			
Contract liabilities		1,318	2,010
Notes payable		29,265	44,293
Notes Payable – related Party		( 313 )	( 316 )
Accounts Payable		66,047	28,557
Accounts Payable – related Party		9	16
Other payables		( 43,082 )	( 40,608 )
Other Payable - Related Party		( 1,233 )	( 506 )
Other Current liabilities		( 3,001 )	( 5,160 )
Other non-Current liabilities		( 180 )	( 149 )
Cash flow generated from (used in) operations		( 109,031 )	259,040
Interest received		125,588	437,108
Interest paid		( 117,849 )	( 214,150 )
Income tax paid		( 3,613 )	( 754,084 )
Income tax refunded		142	19,051
Cash outflow from operating activities		( 104,763 )	( 253,035 )

(Continued)

Ruentex Industries Ltd. and Subsidiaries  
Consolidated Statement of Cash Flow  
January 1 to September 30, 2024 and 2023

Unit: NT\$ thousand  
January 1 to  
September 30, 2023

	Notes	January 1 to September 30, 2024	January 1 to September 30, 2023
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at fair value through other comprehensive income	6(5)	( \$ 402,022 )	( \$ 464,608 )
Disposal of financial assets at fair value through other comprehensive income	6(5)	170	-
Distribution of dividends at investment cost through financial assets at fair value through other comprehensive income	6(5)	4,046	7,290
Share capital returned from capital reduction in financial assets at fair value through other comprehensive income	6(5)	-	1,499
Acquisition of financial assets at amortized cost		( 84,519 )	( 28,884 )
Disposal of financial assets at amortized cost		4,359,301	438,817
Real estate, plant and equipment acquired	6(35)	( 19,178 )	( 13,154 )
Disposal of real estate properties, plants and equipment	6(35)	6,680	3,353
Investment real estate acquired	6(35)	-	( 149 )
Acquisition of intangible assets	6(35)	( 1,818 )	( 1,049 )
Increase in refundable deposits (listed in "other non-current assets")		( 493 )	-
Decrease in refundable deposits (listed in "other non-current assets")		-	143
Increase in prepayments for business facilities (recognized in "other non-current assets")		( 5,726 )	( 502 )
Increase in other non-current assets		-	( 858 )
Dividends received		1,276,899	272,927
Net cash inflow from investing activities		<u>5,133,340</u>	<u>214,825</u>
<u>Cash flows from financing activities</u>			
Net increase (decrease) in short-term borrowings	6(36)	200,000	( 1,590,000 )
Decrease in short-term bills payable	6(36)	-	( 500,000 )
Proceeds from long-term borrowings	6(36)	21,745,000	27,820,000
Repayments of long-term borrowings	6(36)	( 27,995,000 )	( 24,400,000 )
Increase in guarantee deposits received (listed in "other non-current liabilities")	6(36)	106,294	86,634
Decrease in guarantee deposits received (listed in "other non-current liabilities")	6(36)	( 49,598 )	( 57,686 )
Principal elements of lease payments	6(9)(36)	( 39,408 )	( 39,142 )
Cash dividends paid	6(22)	( 2,710,481 )	( 2,168,385 )
Net changes in non-controlling interest	6(33)	-	( 55,200 )
Purchase of treasury shares by subsidiaries	6(21)	( 9,472 )	-
Disgorgement exercised	6(21)	-	23
Cash used in financing activities		<u>( 8,752,665 )</u>	<u>( 903,756 )</u>
Net effect of changes in foreign currency exchange rates on cash and cash equivalent		167,948	396,595
Decrease of cash and cash equivalents current period		( 3,556,140 )	( 545,371 )
Cash and cash equivalents at the beginning of the period		7,248,962	9,549,587
Cash and cash equivalents, end of period		<u>\$ 3,692,822</u>	<u>\$ 9,004,216</u>

The accompanying notes are an 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  
for the Nine Months Ended September 30, 2024 and 2023 and Independent Auditors' Review Report  
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 November 12, 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:

New and revised standards, amendments to standards and interpretations	Effective date published by the International Accounting Standards Board
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

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

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

The above standards and interpretations have no significant impact on the Group's financial position and financial performance based on the Group's assessment.

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

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

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

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

The amendments are as follows:

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

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.



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

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

## IV. Summary of Significant Accounting Policies

The 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:

Name of Investment company	Name of subsidiary	Business nature	Percentage of shareholding (%)			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
Ruentex Industries Ltd.	Gin-Hong Investment Co., Ltd. (Gin-Hong)	Investment	55.00	55.00	55.00	Notes 1, 3, 4, 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 & 3
Ruentex Industries Ltd.	Full Shine International Holding Ltd. (Full Shine)	Investment	100.00	100.00	100.00	Note 1 & 3
Ruentex Industries Ltd.	Gold Leaf International Group Co., Ltd. (Gold Leaf)	International Trade	100.00	100.00	100.00	Note 1 & 3
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 2
Ruentex Industries Ltd.	Concord Greater China Limited. (Concord)	Investment	42.42	42.25	42.25	Notes 1, 3, 5, and 10

Full Shine International Holding Ltd.	Sinopac Global Investment Ltd.(Sinopac)	Investment	49.06	49.06	49.06	Notes 1, 3, and 7
Sinopac Global Investment Ltd.	Concord Greater China Limited. (Concord)	Investment	15.57	15.51	15.51	Notes 1, 3, 5, and 10
East Capital International Limited.	Shanghai Newzone Fashion Ltd. (Shanghai Newzone)	Trade	23.08	23.08	23.08	Note 2 & 6
New Zone International Limited.	Shanghai Newzone Fashion Ltd. (Shanghai Newzone)	Trade	76.92	76.92	76.92	Note 2 & 6

Note 1: As it does not meet the definition of a material subsidiary, its financial statements as of September 30, 2024 and 2023 have not been reviewed by CPAs.

Note 2: As it does not meet the definition of a material subsidiary, its financial statements as of September 30, 2024 have not been reviewed by CPAs.

Note 3: Audited by other independent accountants for the year ended December 31, 2023.

Note 4: Gin-Hong Investment held 36,593,388 ordinary shares issued by the Company on September 30, 2024, December 31, 2023, and September 30, 2023, respectively, accounting for around 3.31% of the Company's outstanding ordinary shares, respectively.

Note 5: As of September 30, 2024, December 31, 2023, and September 30, 2023, the Company's ownership of Concord's shares is 42.42%, 42.25%, and 42.25%, respectively; the Company's subsidiary Full Shine holds 15.57%, 15.51%, and 15.51%, respectively, of its shares indirectly; as such, the Company's comprehensive ownership of Concord's voting rights is 57.99%, 57.76%, and 57.76%, respectively.

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 %.

Note 10: In order to protect the interests of shareholders, Concord bought back 166,666 shares outstanding in April 2024 and canceled the shares in the same month, resulting in shareholdings by the Company and its subsidiary Sinopac invested in through its subsidiary Full Shine in Concord's shares increasing from 42.25% to 42.42% and from 15.51% to 15.57%, respectively.

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.

None.

(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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash on hand and revolving funds	\$ 4,803	\$ 5,588	\$ 7,098
Checking deposits	61,206	944,747	97,874
Demand deposits	406,297	2,633,482	1,094,986
Time deposits	2,848,479	2,174,906	7,025,473
Cash equivalents - Bonds under repurchase agreements	<u>372,037</u>	<u>1,490,239</u>	<u>778,785</u>
	<u>\$ 3,692,822</u>	<u>\$ 7,248,962</u>	<u>\$ 9,004,216</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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes receivable	\$ 406	\$ 319	\$ 407
Notes Receivable – related party	<u>316</u>	<u>840</u>	<u>499</u>
	<u>\$ 722</u>	<u>\$ 1,159</u>	<u>\$ 906</u>
Accounts receivable	\$ 133,464	\$ 155,948	\$ 131,487
Less: Allowance for loss	<u>( 14)</u>	<u>( 109)</u>	<u>( 573)</u>
	133,450	155,839	130,914
Accounts receivable - related party	<u>2,011</u>	<u>1,220</u>	<u>1,369</u>
	<u>\$ 135,461</u>	<u>\$ 157,059</u>	<u>\$ 132,283</u>
	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Overdue receivable	4,088	4,088	4,088
Less: Allowance for loss	<u>( 4,088)</u>	<u>( 4,088)</u>	<u>( 4,088)</u>
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:

	September 30, 2024			December 31, 2023		
	Notes receivable	Accounts receivable	Overdue receivable	Notes receivable	Accounts receivable	Overdue receivable
Not overdue	\$ 722	\$ 118,094	\$ -	\$ 1,159	\$ 153,214	\$ -
Past due						
1-90 days	-	17,372	-	-	3,868	-
91-365 days	-	9	-	-	86	-
Over 365 days	-	-	4,088	-	-	4,088
	<u>\$ 722</u>	<u>\$ 135,475</u>	<u>\$ 4,088</u>	<u>\$ 1,159</u>	<u>\$ 157,168</u>	<u>\$ 4,088</u>

  

	September 30, 2023		
	Notes receivable	Accounts receivable	Overdue receivable
Not overdue	\$ 906	\$ 128,145	\$ -
Past due			
1-90 days	-	4,304	-
91-365 days	-	407	-
Over 365 days	-	-	4,088
	<u>\$ 906</u>	<u>\$ 132,856</u>	<u>\$ 4,088</u>

The aging analysis was based on past due date.

2. The balance of notes and accounts receivable as of September 30, 2024, December 31, 2023, and September 30, 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\$722, NT\$1,159, and NT\$906 for notes receivable as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively; NT\$135,461, NT\$157,059, and NT\$132,283 for accounts receivable as of September 30, 2024, December 31, 2023, and September 30, 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Textile Business Department:			
Raw materials	\$ 25,218	\$ 20,345	\$ 18,554
Supplies	153	214	214
Finished goods	46,117	61,672	60,404
Merchandise inventory	259,488	241,712	253,596
Less: Allowance for valuation losses	( 106,131)	( 130,324)	( 138,907)
Subtotal	<u>224,845</u>	<u>193,619</u>	<u>193,861</u>
Wholesale Business Department:			
Work in process	1,238	1,175	2,334
Merchandise inventory	66,745	89,720	75,844
Less: Allowance for valuation losses	( 2,126)	( 804)	( 3,461)
Subtotal	<u>65,857</u>	<u>90,091</u>	<u>74,717</u>
Construction Business Department:			
Building and land held for sale	59,055	59,055	59,055
Construction land	326,830	243,522	283,608
Less: Allowance for valuation losses	( 73,535)	( 73,535)	( 73,535)
Subtotal	<u>312,350</u>	<u>229,042</u>	<u>269,128</u>
Total	<u>\$ 603,052</u>	<u>\$ 512,752</u>	<u>\$ 537,706</u>

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

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Cost of inventories sold	\$ 491,337	\$ 440,119
loss on physical inventory	254	399
Gain on declining price recovery	( 11,097)	( 3,715)
Loss on inventory scrap	<u>979</u>	<u>817</u>
	<u>\$ 481,473</u>	<u>\$ 437,620</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Cost of inventories sold	\$ 1,380,597	\$ 1,427,065
loss on physical inventory	1,268	933
Gain on declining price recovery	( 22,871)	( 28,938)
Loss on inventory scrap	<u>3,652</u>	<u>2,471</u>
	<u>\$ 1,362,646</u>	<u>\$ 1,401,531</u>

2. For the three and nine months ended September 30, 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<b>Non-current items:</b>			
Financial assets at fair value through profit or loss (mandatory)			
Foreign investments			
Privately offered fund	\$ 2,446,915	\$ 2,408,133	\$ 2,402,450
Adjustments for valuation	<u>828,853</u>	<u>621,945</u>	<u>723,409</u>
Total	<u>\$ 3,275,768</u>	<u>\$ 3,030,078</u>	<u>\$ 3,125,859</u>

1. The amounts of profits or losses on financial assets at fair value through profit and loss for the three and nine months ended September 30, 2024 and 2023 were NT\$0, NT\$0, NT\$206,908, and NT\$16,486, respectively.
2. The amounts of dividend income recognized in profit or loss on financial assets at fair value through profit and loss for the three and nine months ended September 30, 2024 and 2023 were NT\$0, NT\$0, NT\$5,437, and NT\$8,232, 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<b>Non-current items:</b>			
Equity Instrument			
Domestic investment			
Shares of TWSE/TPEX listed companies	\$ 3,688,418	\$ 3,521,383	\$ 3,521,383
Shares of the TPEX-listed companies	240,000	9,059	9,059
Unlisted stocks	50,411	50,411	50,411
Subtotal	3,978,829	3,580,853	3,580,853
Adjustments for valuation			



Shares of TWSE/TPEX listed companies	2,988,636	1,137,591	1,054,482
Shares of the TPEX-listed companies	-	44,431	34,038
Unlisted stocks	61,697	50,746	46,069
Subtotal	3,050,333	1,232,768	1,134,589
Total	7,029,162	4,813,621	4,715,442

Item	September 30, 2024	December 31, 2023	September 30, 2023
Foreign investments			
Shares of TWSE listed companies	7,174,595	7,185,039	7,185,039
Adjustments for valuation			
Shares of TWSE listed companies	( 5,147,796)	( 5,533,296)	( 5,327,475)
Effects of exchange rate changes	( 121,987)	( 164,201)	( 36,609)
Total	1,904,812	1,487,542	1,820,955
Total	<u>\$ 8,933,974</u>	<u>\$ 6,301,163</u>	<u>\$ 6,536,397</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\$8,933,974, NT\$6,301,163, and NT\$6,536,397 as of September 30, 2024, December 31, 2023, and September 30, 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. The equity instruments of Ruentex Interior Design Inc. (Ruentex Interior Design) held by the Group:
  - (1) Ruentex Interior Design was approved by the shareholders' meetings on May 27, 2024 and May 24, 2023 to issue cash dividends from the original capital surplus contributed to by shareholders. The Group received cash dividends of NT\$51 and NT\$183 on July 22, 2024 and July 18, 2023, respectively. This was regarded as a reduction of the Group's original cost of the holding.
  - (2) In order to cooperate with the public underwriting before the initial listing on Taipei Exchange by Ruentex Interior Design, the board of directors approved by resolution, on March 26, 2024. The Group did not subscribe in proportion to the original shareholding, and the shareholding fell from 2.47% to 2.23%.
  - (3) Ruentex Interior Design was initially listed on Taipei Exchange (TPEX) on May 21, 2024. Therefore, the Group reclassified the shares held from the emerging stock market stock

to the TPEX-listed stock. The adjustments to the cost and valuation gains are NT\$9,059 and NT\$44,431, respectively.

4. In April 2024 and April 2023, the Group participated in the capital increase by cash of the listed company, Tanvex BioPharma, Inc., and subscribed for 2,267 thousand shares and 3,500 thousand shares in amounts of NT\$108,818 and 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. Sunny Friend Environmental Technology Co., Ltd.'s (Sunny Friend's) equity instruments held by the Group:
  - (1) The Group participated in the capital increase in cash by Sunny Friend in July 2023, and subscribed for 1,685 thousand shares in the amount of NT\$202,108.
  - (2) Sunny Friend was approved by the shareholders' meeting on May 24, 2024 to issue cash dividends from the original capital surplus contributed to by shareholders. The Group received cash dividends of NT\$3,995 on July 6, 2024. This was regarded as a reduction of the Group's original cost of the holding.
7. In June 2024, the Group participated in the capital increase by cash of AP Biosciences Inc., listed on the emerging stock market, and subscribed for 4,000 thousand shares in an amount of NT\$240,000.
8. 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 \$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.
9. 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 \$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.
10. The Group disposed of 15 thousand shares in Asensus Surgical (ASXC) held on August 22, 2024. The Group wrote off the initial holding cost of NT\$10,444 and the valuation loss of NT\$10,274.
11. Detail of the financial assets at fair value through other comprehensive income recognized under profit or loss and comprehensive income is as follows:

July 1 to September 30, 2024

July 1 to September 30, 2023

Equity instruments at fair value  
through other comprehensive income

Changes in fair value recognized as other comprehensive income	\$ 931,287	(\$ 1,210,144)
Dividend income recognized in operating income	\$ 19,050	\$ 40,974
Dividend income recognized in other non-operation income	\$ 112,095	\$ 170,814
	<u>January 1 to September 30, 2024    January 1 to September 30, 2023</u>	

Equity instruments at fair value  
through other comprehensive income

Changes in fair value recognized as other comprehensive income	\$ 2,192,791	(\$ 1,153,555)
Dividend income recognized in operating income	\$ 19,050	\$ 40,974
Dividend income recognized in other non-operation income	\$ 114,762	\$ 190,787

12. 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\$8,933,974, NT\$6,301,163, and NT\$6,536,397 as of September 30, 2024, December 31, 2023, and September 30, 2022, respectively.

13. For the details of the financial assets at fair value through other comprehensive income pledged as collateral, please refer to Note 8.

14. 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 amortized cost

<u>Item</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2022</u>
<b>Current items:</b>			
Time deposits with maturities over three months	\$ 94,587	\$ 30,220	\$ 22,095
Total	\$ 94,587	\$ 30,220	\$ 22,095
<b>Non-current items:</b>			
Subordinated debts	\$ 250,000	\$ 250,000	\$ 250,000
Time deposits pledged	67,800	4,272,468	4,430,185
Total	\$ 317,800	\$ 4,522,468	\$ 4,680,185

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

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Interest revenue	<u>\$ 2,479</u>	<u>\$ 64,750</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Interest revenue	<u>\$ 9,258</u>	<u>\$ 187,369</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\$412,387, NT\$4,552,688, and NT\$4,702,280 as of September 30, 2024, December 31, 2023, and September 30, 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	September 30, 2024	December 31, 2023	September 30, 2023
Ruentex Development Co., Ltd. (Ruentex Development)	\$ 24,339,049	\$ 21,810,583	\$ 19,646,745
Ruen Chen Investment Holdings Ltd. (Ruen Chen Investment Holdings)	67,834,205	60,281,848	53,192,111
Nan Shan Life Insurance Co., Ltd. (Nan Shan Life Insurance)	805,565	733,831	663,769
Ruen Fu Newlife Corp. (Ruen Fu)	9,257	10,855	-
	<u>\$ 92,988,076</u>	<u>\$ 82,837,117</u>	<u>\$ 73,502,625</u>

2. The investment shareholder percentage is as follows:

Name of associate	September 30, 2024	December 31, 2023	September 30, 2023
Ruentex Innovation	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 the associate	July 1 to September 30, 2024	July 1 to September 30, 2023
Ruentex Innovation	\$ 827,011	\$ 1,362,444
Ruen Chen Investment Holdings	2,377,057	4,638,597
Nan Shan Life Insurance	24,677	48,075
Ruen Fu Newlife	( 720)	( 101)
	<u>\$ 3,228,025</u>	<u>\$ 6,049,015</u>

Name of the associate	January 1 to September 30, 2024	January 1 to September 30, 2023
Ruentex Innovation	\$ 3,430,540	\$ 2,494,529
Ruen Chen Investment Holdings	7,642,860	7,863,227
Nan Shan Life Insurance	79,257	81,519
Ruen Fu Newlife	( 1,598)	( 2,669)
	<u>\$ 11,151,059</u>	<u>\$ 10,436,606</u>

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

Company Name	Place of Main business	Shareholding percentage			Nature of Relationship	Measurement Method
		September 30, 2024	December 31, 2023	September 30, 2023		
Ruentex Innovation	Taiwan	25.70%	25.70%	25.70%	Diversification	Equity method
Ruen Chen Investment Holdings	Taiwan	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

Ruentex Innovation

September 30, 2024   December 31, 2023   September 30, 2023

Current Assets	\$ 42,148,288	\$ 45,654,225	\$ 47,641,510
Non-current assets	153,159,939	131,254,864	122,596,650
Current liabilities	( 32,837,886)	( 31,521,011)	( 34,390,118)
Non-current liabilities	( 46,795,647)	( 43,572,760)	( 44,133,601)
Equity	115,674,694	101,815,318	91,714,441
Non-controlling Interest	( 9,958,793)	( 7,369,429)	( 6,680,850)
	<u>\$ 105,715,901</u>	<u>\$ 94,445,889</u>	<u>\$ 85,033,591</u>
Portion of the net assets of associates	\$ 27,168,985	\$ 24,272,594	\$ 21,853,633
Unrealized gains or losses on upstream transactions	( 2,191)	( 2,191)	( 2,191)
Mutual shareholdings	( 2,827,745)	( 2,459,820)	( 2,204,697)
Carrying amount	<u>\$ 24,339,049</u>	<u>\$ 21,810,583</u>	<u>\$ 19,646,745</u>

Ruen Chen Investment Holdings

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current Assets	\$ 185,058,484	\$ 121,888,195	\$ 115,367,869
Non-current assets (Note 1)	5,366,677,685	5,281,003,679	5,370,935,564
Current liabilities	( 53,413,235)	( 42,098,461)	( 22,602,059)
Non-current liabilities	( 5,163,941,287)	( 5,062,762,560)	( 5,199,928,001)
Equity	334,381,647	298,030,853	263,773,373
Non-controlling Interest	( 39,450,322)	( 35,935,860)	( 32,503,326)
	<u>\$ 294,931,325</u>	<u>\$ 262,094,993</u>	<u>\$ 231,270,047</u>
Portion of the net assets of associates	<u>\$ 67,834,205</u>	<u>\$ 60,281,848</u>	<u>\$ 53,192,111</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

Ruentex Innovation

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Income	\$ 8,585,985	\$ 5,351,117
Current Net Profit (Note 2)	4,066,131	6,459,389
Other comprehensive income (loss) (net of tax)	( 1,019,392)	( 10,010,433)
Total Comprehensive Income (Loss), Current Period (Note 3)	<u>\$ 3,046,739</u>	<u>(\$ 3,551,044)</u>

Ruentex Innovation

	January 1 to September 30, 2024	January 1 to September 30, 2023
Income	<u>\$ 23,013,445</u>	<u>\$ 18,682,909</u>
Current Net Profit (Note 2)	17,103,836	11,769,594
Other comprehensive income (loss) (net of tax)	<u>1,475,301</u>	<u>( 1,897,047)</u>
Total Comprehensive Income (Loss), Current Period (Note 3)	<u>\$ 18,579,137</u>	<u>\$ 9,872,547</u>

Note 2: Included the net combined income attributable to non-controlling interests in Ruentex Development for the periods for the three and nine months ended September 30, 2024 and 2023, in the amounts of NT\$510,406, NT\$416,587, NT\$2,608,533, and NT\$817,506, respectively.

Note 3: The total comprehensive income (loss) included the net combined income attributable to non-controlling interests in Ruentex Development for the three and nine months ended September 30, 2024 and 2023, in the amounts of NT\$883,817, NT\$367,626, NT\$3,129,896, and NT\$ 594,429, respectively.

	<u>Ruen Chen Investment Holdings</u>	
	July 1 to September 30, 2024	July 1 to September 30, 2023
Income	<u>\$ 118,924,738</u>	<u>\$ 132,518,102</u>
Current Net Profit (Note 4)	11,544,074	22,523,085
Other comprehensive income (loss) (net of tax)	<u>( 7,264,327)</u>	<u>( 37,469,238)</u>
Total Comprehensive Income (Loss), Current Period (Note 5)	<u>\$ 4,279,747</u>	<u>(\$ 14,946,153)</u>

	<u>Ruen Chen Investment Holdings</u>	
	January 1 to September 30, 2024	January 1 to September 30, 2023
Income	<u>\$ 377,443,702</u>	<u>\$ 379,656,129</u>
Current Net Profit (Note 4)	37,112,876	38,181,770
Other comprehensive income (loss) (net of tax)	<u>( 439,416)</u>	<u>( 5,674,911)</u>
Total Comprehensive Income (Loss), Current Period (Note 5)	<u>\$ 36,673,460</u>	<u>\$ 32,506,859</u>

Note 4: Included the net combined income attributable to non-controlling interests in Ruen Chen Investment Holdings for the periods of the three and nine months ended September 30, 2024, and 2023, in the amounts of NT\$1,209,042, NT\$2,355,272, NT\$3,883,048, and NT\$3,993,827, respectively.

Note 5: The total comprehensive income included the net combined income (loss) attributable to non-controlling interests in Ruen Chen Investment Holdings for the

periods for the three and nine months ended September 30, 2024 and 2023, in the amounts of NT\$449,907, NT\$(1,560,328), NT\$3,837,128, and NT\$3,400,789, 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 September 30, 2024, December 31, 2023, and September 30, 2023, the carrying amounts of the Group's individually immaterial affiliates amounted to NT\$814,822, NT\$744,686, and NT\$663,769, respectively.

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Net income of current period	\$ 11,567,785	\$ 22,535,172
Other comprehensive income (loss) (net of tax)	( 8,293,549)	( 38,577,064)
Total Comprehensive Income (Loss), Current Period	<u>\$ 3,274,236</u>	<u>(\$ 16,041,892)</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Net income of current period	\$ 37,153,746	\$ 38,208,442
Other comprehensive income (loss) (net of tax)	( 3,527,083)	( 8,841,182)
Total Comprehensive Income (Loss), Current Period	<u>\$ 33,626,663</u>	<u>\$ 29,367,260</u>

- 7.(1) Among the investments accounted for under the equity method as of September 30, 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Ruentex Innovation	<u>\$ 35,781,853</u>	<u>\$ 27,594,790</u>	<u>\$ 25,730,771</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) The Group's investment in Ruen Fu Newlife was affected by poor operations, causing the book value per share of Ruen Fu Newlife to be negative on September 30, 2023. According to regulations, when the Group's share of losses on an associate is equal to or exceeds the equity it owns in the associate, the Group does not recognize further losses, so the balance of the Group's investment in the associate is recognized up to NT\$0.
- (2) As the Group did not bear the obligation to the additional loss of the associate, Ruen Fu Newlife, the Group stopped recognizing the share of comprehensive loss of Ruen Fu Newlife on September 30, 2023. The share of unrecognized comprehensive losses for the current period and the cumulative share of unrecognized comprehensive losses are as follows:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Unrecognized share of comprehensive loss for the current period	<u>\$ -</u>	<u>\$ 1,080</u>
	<u>As of September 30, 2024</u>	<u>As of September 30, 2023</u>
Unrecognized cumulative share of comprehensive loss	<u>\$ -</u>	<u>\$ 1,080</u>

- (3) 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

- (4) 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.
- (5) 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 recapitalization of earnings in June 2024, and the Company received 400,085 thousand shares as stock dividends pro rata to its shareholding; it conducted a cash capital increase in October 2023, and the Company subscribed pro rata to the shareholding, totaling 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 NT\$20,000 in December 2023, followed by a subsequent cash capital increase of NT\$30,000, and the Company paid NT\$12,000 for the new shares issued in proportion to its shareholding.
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

	2024							
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Leased assets	Leasehold Improvements	Other equipment	Total
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	-	900	-	-	-	12,370	9,015	22,285
Disposal - costs	-	-	( 899)	-	-	( 6,300)	( 85,548)	( 92,747)
Disposal - accumulated impairment and depreciation	-	-	899	-	-	6,300	85,521	92,720
Depreciation expense	- ( 16,708)	( 5,695)	( 607)	-	( 5,900)	( 4,977)	( 33,887)	
Transfer - costs (Note)	-	-	-	-	-	-	( 196,053)	( 196,053)
Transfer - accumulated impairment loss and depreciation (Note)							84,878	84,878
Net exchange differences-Cost	-	-	-	136	-	-	417	553
Net exchange differences-accumulated impairment and depreciation	-	-	-	( 136)	-	-	( 383)	( 519)
September 30	<u>\$ 668,575</u>	<u>\$ 456,368</u>	<u>\$ 18,582</u>	<u>\$ 3,069</u>	<u>\$ -</u>	<u>\$ 12,972</u>	<u>\$ 96,373</u>	<u>\$1,255,939</u>
September 30								
Cost	\$ 668,575	\$1,097,979	\$ 109,220	\$ 17,204	\$ 24,514	\$ 224,937	\$ 564,728	\$2,707,157
Accumulated impairment and depreciation	- ( 641,611)	( 90,638)	( 14,135)	( 24,514)	( 211,965)	( 468,355)	( 1,451,218)	
	<u>\$ 668,575</u>	<u>\$ 456,368</u>	<u>\$ 18,582</u>	<u>\$ 3,069</u>	<u>\$ -</u>	<u>\$ 12,972</u>	<u>\$ 96,373</u>	<u>\$1,255,939</u>

Note: The amounts transferred in this period is the prepayments for business facilities transferred in and to increase the funds; the Company plans to sell part of the assets after the approval of the Board of Directors, and the relevant assets were reclassified to the non-current assets held for sale in the current period. Please refer to Note 6(13) for details.

	2023							
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Leased assets	Leasehold Improvements	Other equipment	Total
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	- ( 602,644)	( 101,853)	( 18,488)	( 24,514)	( 217,293)	( 755,697)	( 1,720,489)	
	<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	-	-	1,566	2,450	-	3,321	6,333	13,670
Disposal - costs	-	-	( 23,631)	( 5,568)	-	( 12,596)	( 40,737)	( 82,532)
Disposal - accumulated impairment and depreciation	-	-	23,631	5,568	-	12,596	40,729	82,524
Depreciation expense	- ( 16,694)	( 5,822)	( 983)	-	( 8,162)	( 4,344)	( 36,005)	
Transfer - costs	-	-	-	-	-	-	( 165)	( 165)
Transfer - accumulated impairment loss and depreciation	-	-	-	-	-	-	165	165
Net exchange differences-Cost	-	-	-	4	-	( 25)	11	( 10)
Net exchange differences-accumulated impairment and depreciation	-	-	-	( 4)	-	25	( 13)	8
September 30	<u>\$ 668,575</u>	<u>\$ 477,741</u>	<u>\$ 26,004</u>	<u>\$ 3,923</u>	<u>\$ -</u>	<u>\$ 7,191</u>	<u>\$ 205,048</u>	<u>\$1,388,482</u>
September 30								
Cost	\$ 668,575	\$1,097,079	\$ 110,048	\$ 17,830	\$ 24,514	\$ 220,025	\$ 924,208	\$3,062,279
Accumulated impairment and depreciation	- ( 619,338)	( 84,044)	( 13,907)	( 24,514)	( 212,834)	( 719,160)	( 1,673,797)	
	<u>\$ 668,575</u>	<u>\$ 477,741</u>	<u>\$ 26,004</u>	<u>\$ 3,923</u>	<u>\$ -</u>	<u>\$ 7,191</u>	<u>\$ 205,048</u>	<u>\$1,388,482</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 September 30, 2024 and 2023 are between 2020 to 2029. 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
Addition-Newly added lease contracts	1,166	825
Depreciation expense	( 38,932)	( 38,921)
Lease modifications - costs	-	( 9,006)
Lease modifications - accumulated depreciation	-	5,774
Effects of exchange rate changes - cost	52	( 3)
Effects of exchange rate changes - accumulated depreciation	( 15)	5
September 30	<u>\$ 62,851</u>	<u>\$ 106,272</u>
September 30		
Cost	\$ 245,420	\$ 238,263
Accumulated depreciation	( 182,569)	( 131,991)
	<u>\$ 62,851</u>	<u>\$ 106,272</u>

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Total amount of lease liabilities	\$ 63,675	\$ 101,879	\$ 107,582
Less: Due within one year (listed as lease liabilities - current)	( 40,349)	( 51,390)	( 49,941)
	<u>\$ 23,326</u>	<u>\$ 50,489</u>	<u>\$ 57,641</u>



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

	<u>July 1 to September 30, 2024</u> <u>July 1 to September 30, 2023</u>	
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	(\$ 189)	(\$ 280)
Expenses of short-term lease contracts	( 2,496)	( 2,069)
Expenses related to leases of low-value assets	( 227)	( 490)
Gains on lease modifications	-	66
	<u>(\$ 2,912)</u>	<u>(\$ 2,773)</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	(\$ 647)	(\$ 951)
Expenses of short-term lease contracts	( 7,981)	( 6,876)
Expenses related to leases of low-value assets	( 729)	( 872)
Gains on lease modifications	-	91
	<u>(\$ 9,357)</u>	<u>(\$ 8,608)</u>

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

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Interest expenses of lease liabilities	\$ 647	\$ 951
Expenses of short-term lease contracts	7,981	6,876
Expenses related to leases of low-value assets	729	872
Principal elements of lease payments	<u>39,408</u>	<u>39,142</u>
	<u>\$ 48,765</u>	<u>\$ 47,841</u>

(X) Lease transactions - lessor

1. The Group leases investment property based on operating lease contracts, and recognized rent income of NT\$25,626, NT\$19,894, NT\$74,849, and NT\$66,009. for the three and nine months ended September 30, 2024 and 2023, respectively.
2. The Group has leased part of the right-of-use assets based on operating lease contracts and

recognized rent income of NT\$6,228, NT\$6,643, NT\$19,141, and NT\$19,384 for the three and nine months ended September 30, 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Within 1 year	\$ 73,072	\$ 86,422	\$ 72,303
1-2 years	69,777	68,263	65,260
2-3 years	69,676	68,181	65,069
3-4 years	69,685	68,121	65,007
4-5 years	69,681	68,140	65,016
More than 5 years	<u>711,196</u>	<u>746,316</u>	<u>726,962</u>
Total	<u>\$ 1,063,087</u>	<u>\$ 1,105,443</u>	<u>\$ 1,059,617</u>

(XI) Investment Real Estate

	<u>2024</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
January 1	\$ 8,143,547	\$ 658,016	\$ 8,801,563
Fair value adjustment gain	<u>325,779</u>	<u>3,323</u>	<u>329,102</u>
September 30	<u>\$ 8,469,326</u>	<u>\$ 661,339</u>	<u>\$ 9,130,665</u>

	<u>2023</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
January 1	\$ 7,872,197	\$ 685,316	\$ 8,557,513
Fair value adjustment gain	<u>30,867</u>	<u>( 7,708)</u>	<u>23,159</u>
September 30	<u>\$ 7,903,064</u>	<u>\$ 677,608</u>	<u>\$ 8,580,672</u>

1. Rental income from investment real estate:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Rental income from investment real estate	<u>\$ 25,626</u>	<u>\$ 19,894</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Rental income from investment real	<u>\$ 74,849</u>	<u>\$ 66,009</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 September 30, 2024, December 31, 2023, and September 30, 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>September 30, 2024</u>			<u>December 31, 2023</u>		
	Land	Building, land and parking space	Building and land	Land	Building, land and parking space	Building and land
Objective	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
Location	The method of land development analysis	Income approach	Income approach	The method of land development analysis	Income approach	Income approach
Appraisal method	Savills (Taiwan) Limited	Savills (Taiwan) Limited	Jhong-Ding Real Estate Appraisers Firm	Savills (Taiwan) Limited	Savills (Taiwan) Limited	Jhong-Ding Real Estate Appraisers Firm
Appraisal firm	Chang, Hung-Kai	Chang, I-Chih, Yeh, Yu-Fen Jian, Wu-Chi		Chang, Hung-Kai	Chang, I-Chih, Yeh, Yu-Fen Jian, Wu-Chi	
Appraiser	September 30, 2024 (note)			December 31, 2023		
Appraisal base date				<u>September 30, 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
Appraiser	Chang, Hung-Kai	Chang, I-Chih, Yeh, Yu-Fen	Jian, Wu-Chi
Appraisal base date	September 30, 2023 (note)		

Note: A statement of validity on the original valuation report dated September 30, 2023 and 2024 has been obtained from the appraiser for some assets.

- (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 nine months ended September 30, 2024 and 2023.

	<u>September 30, 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>September 30, 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~\$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>January 1 to September 30, 2024</u>			
	<u>Building and land</u>		<u>Parking space</u>	
Income amount	\$	74,565	\$	284

	<u>January 1 to September 30, 2023</u>			
	<u>Building and land</u>		<u>Parking space</u>	
Income amount	\$	65,725	\$	284

- (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>September 30, 2024 (note)</u>		<u>December 31, 2023</u>	
	Hainchu County	Taichung City	Hainchu County	Taichung City
	<u>Xinfeng Township</u>	<u>Wuqi District</u>	<u>Xinfeng Township</u>	<u>Wuqi District</u>
Estimated total sales amount	<u>\$ 1,770,435</u>	<u>\$ 21,416,567</u>	<u>\$ 1,048,772</u>	<u>\$ 18,898,905</u>
Profit margin	16.00%	24.00%	15.00%	24.00%
Overall capital interest rate	4.01%	3.83%	2.32%	3.76%
	<u>September 30, 2023 (note)</u>			
	Hainchu County	Taichung City		
	<u>Xinfeng Township</u>	<u>Wuqi District</u>		
Estimated total sales amount	<u>\$ 1,006,681</u>	<u>\$ 18,638,530</u>		
Profit margin	15.00%	24.00%		
Overall capital interest rate	2.28%	3.72%		

Note: A statement of validity on the original valuation report dated September 30, 2023 and 2024 has been obtained from the appraiser for some assets.

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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Discount rate	2.910%~4.345%	2.848%~4.345%	2.988%~4.345%
	(Note)		(Note)

Note: A statement of validity on the original valuation report dated September 30, 2023 and 2024 has been obtained from the appraiser for some assets.

(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

	<u>2024</u>	<u>2023</u>
	<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	1,818	1,049
Amortization	( 1,179)	( 1,247)
September 30	<u>\$ 1,501</u>	<u>\$ 1,187</u>
September 30		

Cost	\$	29,071	\$	27,253
Accumulated amortization	(	27,570)	(	26,066)
	\$	<u>1,501</u>	\$	<u>1,187</u>

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

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Selling expenses	\$ 175	\$ 70
General & administrative expenses	<u>341</u>	<u>322</u>
	<u>\$ 516</u>	<u>\$ 392</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Selling expenses	\$ 296	\$ 216
General & administrative expenses	<u>883</u>	<u>1,031</u>
	<u>\$ 1,179</u>	<u>\$ 1,247</u>

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

(XIII) Non-current assets held for sale

In order to revitalize assets and increase working capital, the Board of Directors, on August 13, 2024, approved the sale of the land and plant of the Guanyin Plant in Guanyin District, Taoyuan City. Therefore, the related assets were reclassified to assets held for sale. Currently, the asset has been entrusted to Savills (Taiwan) Limited for public auction. As of November 12, 2024, the transaction has not yet been completed.

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Property, plant, and equipment	<u>\$ 113,425</u>	<u>\$ -</u>	<u>\$ -</u>

(XIV) Other non-current Assets

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Guarantee deposits paid	\$ 45,780	\$ 45,287	\$ 45,359
Land	15,190	15,190	15,190
Prepayments for business facilities	6,228	2,752	502
Defined benefit assets	13,362	11,043	11,972
Others	-	-	344
Overdue receivable	4,088	4,088	4,088
Loss allowance - Overdue receivable	( 4,088)	( 4,088)	( 4,088)
	<u>\$ 80,560</u>	<u>\$ 74,272</u>	<u>\$ 73,367</u>

(XV) Short-term borrowings

<u>Nature of loan</u>	<u>September 30, 2024</u>	<u>Interest rate collars</u>	<u>Guarantee</u>
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Bank loan			
Secured loan	\$ -	-	Note
Credit Loan	<u>550,000</u>	1.78%~1.81%	Nil
	<u>\$ 550,000</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>September 30, 2023</u>	<u>Interest rate collars</u>	<u>Guarantee</u>
Bank loan			
Secured loan	\$ -	-	Note
Credit Loan	<u>700,000</u>	1.65%~1.70%	Nil
	<u>\$ 700,000</u>		

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

(XVI) Other payables

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Salaries and bonuses payable	\$ 43,193	\$ 81,164	\$ 42,853
Employee compensation payable	58,731	62,308	74,120
Dividends payables	37,661	43,762	44,525
Interest payable	5,876	7,208	10,699
Payables for equipment	4,591	1,484	1,573
Others	<u>74,410</u>	<u>81,223</u>	<u>71,129</u>
	<u>\$ 224,462</u>	<u>\$ 277,149</u>	<u>\$ 244,899</u>

(XVII) Long-term borrowings

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Secured bank loan	\$ 3,295,000	\$ 7,620,000	\$ 8,970,000
Credit bank loan	<u>5,100,000</u>	<u>7,025,000</u>	<u>7,800,000</u>
	8,395,000	14,645,000	16,770,000
Less: Long-term borrowings due within one year or one operating cycle	<u>( 1,045,000)</u>	<u>( 850,000)</u>	<u>( 1,820,000)</u>
	<u>\$ 7,350,000</u>	<u>\$ 13,795,000</u>	<u>\$ 14,950,000</u>
Maturity date range	114.10.31~116.09.13	114.02.08~115.06.26	113.10.31~115.06.26
Interest rate collars	1.78%~1.88%	1.60%~1.88%	1.60%~1.78%

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 September 30, 2024, the Group had drawn down a credit amount of NT\$550,000. 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 September 30, 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 September 30, 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Guarantee notes	<u>\$ 42,405,900</u>	<u>\$ 46,805,900</u>	<u>\$ 47,805,900</u>

(XVIII) Other non-Current liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Guarantee deposits received	\$ 846,305	\$ 789,609	\$ 771,321
Others	<u>972</u>	<u>1,152</u>	<u>1,152</u>
	<u>\$ 847,277</u>	<u>\$ 790,761</u>	<u>\$ 772,473</u>

(XIX) 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 three and nine months ended September 30, 2024 and 2023, pension expenses were NT\$200, NT\$191, NT\$600, and NT\$573, 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 three and nine months ended September 30, 2024 and 2023, pension expenses were NT\$3,774, NT\$3,893, NT\$11,268, and NT\$11,735, respectively.

(XX) Capital

1. The Company's outstanding shares as of September 30, 2024, December 31, 2023, and September 30, 2023 were 1,104,319 thousand shares.
2. As of September 30, 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 September 30, 2024, December 31, 2023, and September 30, 2023 to protect its shareholders' equity. The information on the amount is as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 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>

(XXI) Capital surplus

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

	<u>2024</u>		<u>Changes in the</u>		
	<u>Issued at</u>	<u>Treasury share</u>	<u>associates' net</u>	<u>Others</u>	<u>Total</u>
	<u>premium</u>	<u>transactions</u>	<u>value of equity</u>		
January 1	\$ 25,956,207	\$ 1,133,719	\$ 955,836	\$ 125,750	\$ 28,171,512
Cash dividends received by subsidiaries from the parent company	-	50,316	-	-	50,316
Amount not recognized in proportion to the shareholding	-	329	-	-	329
Changes in the equity of associates recognized based on shareholding percentage	-	-	20,246	-	20,246
Overdue dividends not collected by shareholders	-	-	-	11,503	11,503
Income tax effect	-( 65)	( 1,215)	-( 1,280)		
September 30	<u>\$ 25,956,207</u>	<u>\$ 1,184,299</u>	<u>\$ 974,867</u>	<u>\$ 137,253</u>	<u>\$ 28,252,626</u>

	<u>2023</u>		<u>Changes in the</u>		
	<u>Issued at</u>	<u>Treasury share</u>	<u>associates' net</u>	<u>Others</u>	<u>Total</u>
	<u>premium</u>	<u>transactions</u>	<u>value of equity</u>		
January 1	\$ 25,956,207	\$ 1,093,466	\$ 929,477	\$ 112,115	\$ 28,091,265
Cash dividends received by subsidiaries from the parent company	-	40,253	-	-	40,253
Changes in the equity of associates recognized based on shareholding percentage	-	-	27,242	-	27,242
Overdue dividends not collected by shareholders	-	-	-	14,320	14,320
Gains after disgorgement exercised	-	-	-	23	23
Income tax effect	-	-	-( 1,635)	-( 1,635)	
September 30	<u>\$ 25,956,207</u>	<u>\$ 1,133,719</u>	<u>\$ 955,084</u>	<u>\$ 126,458</u>	<u>\$ 28,171,468</u>

(XXII) Retained earnings

1. As per the Articles of Incorporation, if after the annual closing of books, there is a profit, the Company shall, after having provided for income taxes and offset the accumulated losses of previous years, retain the 10% legal reserve; Where such legal reserve amounts to the total paid-in capital of the Company, this provision shall not apply. If the balance (distributable profits for the current year), together with the undistributed earnings in the previous year and retained or reversed special reserves prescribed by laws and regulations, are available for distribution, the Board shall present a proposal on dividends, or retention at a shareholders' meeting for resolution. The Company's dividend policy is based on the Company Law and its articles of incorporation. The Board of Directors proposes an annual distribution plan to the shareholder meeting, taking into account factors such as finance, business, management, and capital budgeting, as well as balancing shareholder interests and the company's long-term financial planning. However, shareholder dividends must be no less than 30% of the net profit after tax for the year, excluding the share of profit or loss of associates and joint ventures accounted for using the equity method, after the legally required statutory reserve and various special reserves have been appropriated. The cash dividend ratio must be no less than 30% of the total dividend distribution for the year.
2. Except for covering accumulated deficit or issuing new stocks or cash to shareholder in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- 3.(1) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.  
(2) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi No. 1010012865 Letter dated April 6, 2012, shall be reversed proportionately when the relevant Assets are used, disposed of or reclassified subsequently.
- 4.(1) The 2023 and 2022 earnings distribution proposals of the Company were approved by the shareholders' meetings on June 27, 2024 and June 16, 2023. The details are as follows:

2023

2022

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

5. Change of undistributed earnings is as follows:

	<u>2024</u>	<u>2023</u>
January 1	\$ 7,373,600	\$ 64,700,745
Appropriation and distribution of earnings:		
- Legal reserve	( 737,360)	( 1,388,188)
- Special reserve	10,705,533	( 63,312,557)
- Cash dividend	( 2,760,797)	-
Changes in associates & joint ventures accounted for using equity method	( 1,296)	35
Equity instruments valuation profit or loss measured at fair value through disposal of other comprehensive income	( 5,040)	251
Net income of current period	11,606,696	11,215,786
Remeasurements of defined benefit obligation		
- Associates	-	( 51)
Effect of income tax on Remeasurements of defined benefit obligation		
- Associates	-	3
September 30	<u>\$ 26,181,336</u>	<u>\$ 11,216,024</u>

(XXIII) Other equity items

	<u>2024</u>	<u>Foreign</u>	<u>Reclassification</u>	<u>Property</u>	<u>Total</u>
	<u>Unrealized</u>	<u>currency</u>	<u>by the overlay</u>	<u>revaluation surplus</u>	
	<u>valuation profit</u>	<u>translation</u>	<u>Hedging reserve</u>		
	<u>or loss</u>		<u>approach</u>		
January 1	(\$ 14,350,788)	(\$ 539,008)	\$ 215	(\$ 15,307,985)	\$ 54,689 (\$ 30,142,877)



Unrealized valuation profit or  
loss of financial assets:

- Group	2,005,138	-	-	-	-	2,005,138
-Changes in the Group's disposal	5,040	-	-	-	-	5,040
- Tax related to the group	( 148,153)	-	-	-	- ( 148,153)	
- Associate	866,845	-	-	-	-	866,845
- Changes in disposal of associates	1,296	-	-	-	-	1,296
- Tax related to the associates	208,601	-	-	-	-	208,601
Foreign currency translation differences:						
- Group	-	84,919	-	-	-	84,919
- Tax related to the group	- ( 16,984)	-	-	-	- ( 16,984)	
- Associate	-	15,878	-	-	-	15,878
- Tax related to the associates	-	-	-	-	-	-
Reclassification by the overlay approach:						
- Associate	-	-	- ( 814,088)	-	- ( 814,088)	
- Tax related to the associates	-	-	- ( 115,983)	-	- ( 115,983)	
Property revaluation surplus						
- Associate	-	-	-	-	7,500	7,500
- Tax related to the associates	-	-	-	- ( 102)	( 102)	
September 30	<u>(\$ 11,412,021)</u>	<u>(\$ 455,195)</u>	<u>\$ 215</u>	<u>(\$ 16,238,056)</u>	<u>\$ 62,087</u>	<u>(\$ 28,042,970)</u>

	<u>2023</u>	<u>Unrealized</u>	<u>Foreign</u>	<u>Reclassification</u>	<u>Property</u>	
	<u>valuation profit or</u>	<u>currency</u>	<u>by the overlay</u>	<u>revaluation surplus</u>	<u>Total</u>	
	<u>loss</u>	<u>translation</u>	<u>Hedging reserve</u>	<u>approach</u>		
January 1	(\$ 15,113,123)	(\$ 533,082)	\$ 215	(\$ 25,742,567)	\$ 38,727	(\$ 41,349,830)
Unrealized valuation profit or loss of financial assets:						
- Group	( 743,571)	-	-	-	-	( 743,571)
-Changes in the Group's disposal	( 251)	-	-	-	-	( 251)
- Tax related to the group	103,427	-	-	-	-	103,427
- Associate	( 3,888,009)	-	-	-	-	( 3,888,009)
- Changes in disposal of associates	( 35)	-	-	-	-	( 35)
- Tax related to the associates	( 48,400)	-	-	-	-	( 48,400)
Foreign currency translation differences:						
- Group	-	160,265	-	-	-	160,265
- Tax related to the group	- ( 32,053)	-	-	-	-	( 32,053)
- Associate	-	27,791	-	-	-	27,791
- Tax related to the associates	-	-	-	-	-	-
Reclassification by the overlay approach:						
- Associate	-	-	-	2,280,926	-	2,280,926
- Tax related to the associates	-	-	-	26,686	-	26,686
Property revaluation surplus						
- Associate	-	-	-	-	20,927	20,927
- Tax related to the associates	-	-	-	- ( 284)	( 284)	

September 30      (\$ 19,689,962)    (\$ 377,079)    \$ 215 (\$ 23,434,955)    \$ 59,370    (\$ 43,442,411)

(XXIV) Operating Revenue

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Revenue from contracts with customers:		
Revenue from sales of goods	\$ 653,911	\$ 609,840
Dividend income	19,050	40,974
Rental income	31,854	26,537
Other operating revenue	99	370
	<u>\$ 704,914</u>	<u>\$ 677,721</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Revenue from contracts with customers:		
Revenue from sales of real estate	-	-
Revenue from sales of goods	\$ 1,895,462	\$ 1,947,656
Dividend income	60,218	73,908
Rental income	93,990	85,393
Other operating revenue	131	1,058
	<u>\$ 2,049,801</u>	<u>\$ 2,108,015</u>

1. Detail of customer contract income

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

<u>July 1 to September 30, 2024</u>	<u>Textile segment</u>	<u>Retail segment</u>	<u>Hypermarket segment</u>	<u>Total</u>
Departmental revenue	\$ 271,843	\$ 103,416	\$ 320,827	\$ 696,086
Revenue from internal department transactions	( 42,175)	-	-	( 42,175)
Revenue from contracts with external customers	<u>\$ 229,668</u>	<u>\$ 103,416</u>	<u>\$ 320,827</u>	<u>\$ 653,911</u>

<u>July 1 to September 30, 2023</u>	<u>Textile segment</u>	<u>Retail segment</u>	<u>Hypermarket segment</u>	<u>Total</u>
Departmental revenue	\$ 178,715	\$ 123,910	\$ 323,807	\$ 626,432
Revenue from internal department transactions	( 11,361)	( 5,231)	-	( 16,592)
Revenue from contracts with external customers	<u>\$ 167,354</u>	<u>\$ 118,679</u>	<u>\$ 323,807</u>	<u>\$ 609,840</u>

<u>January 1 to September 30, 2024</u>	<u>Textile segment</u>	<u>Retail segment</u>	<u>Hypermarket segment</u>	<u>Total</u>
Departmental revenue	\$ 717,568	\$ 400,080	\$ 899,280	\$ 2,016,928
Revenue from internal department transactions	( 112,242)	( 9,224)	-	( 121,466)
Revenue from contracts with external customers	<u>\$ 605,326</u>	<u>\$ 390,856</u>	<u>\$ 899,280</u>	<u>\$ 1,895,462</u>

<u>January 1 to September 30, 2023</u>	<u>Textile segment</u>	<u>Retail segment</u>	<u>Hypermarket segment</u>	<u>Total</u>
Departmental revenue	\$ 815,724	\$ 422,756	\$ 892,107	\$ 2,130,587
Revenue from internal department transactions	( 161,865)	( 21,066)	-	( 182,931)
Revenue from contracts with external customers	<u>\$ 653,859</u>	<u>\$ 401,690</u>	<u>\$ 892,107</u>	<u>\$ 1,947,656</u>

## 2. Contract assets and liabilities (related parties included)

The Group did not recognize contract assets related to revenue from customer contracts as of September 30, 2024, December 31, 2023, and September 30, 2023. In addition, the contract liabilities recognized by the Group are as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Contract liabilities	<u>\$ 36,907</u>	<u>\$ 35,563</u>	<u>\$ 26,707</u>

### (XXV) Operation cost

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Costs of clients' contracts		
Cost of sales of goods	<u>\$ 481,473</u>	<u>\$ 437,620</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Costs of clients' contracts		
Cost of sales of goods	<u>\$ 1,362,646</u>	<u>\$ 1,401,531</u>

### (XXVI) Interest revenue

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Interest on cash in banks	\$ 36,221	\$ 81,850
Interest income from the financial assets measured at amortized costs	2,479	64,750
Imputed interest for deposit	<u>3</u>	<u>3</u>
	<u>\$ 38,703</u>	<u>\$ 146,603</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Interest on cash in banks	\$ 102,108	\$ 233,922
Interest income from the financial assets measured at amortized costs	9,258	187,369
Imputed interest for deposit	9	21
	<u>\$ 111,375</u>	<u>\$ 421,312</u>

(XXVII) Other income

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Rent income	\$ 1,039	\$ 1,013
Dividend income		
Financial assets measured at fair value through profit or loss comprehensive income	-	-
Financial assets measured at fair value through profit or loss	112,095	170,814
Other income	9,566	9,180
	<u>\$ 122,700</u>	<u>\$ 181,007</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Rent income	\$ 3,070	\$ 2,962
Dividend income		
Financial assets measured at fair value through profit or loss comprehensive income	5,437	8,232
Financial assets measured at fair value through profit or loss	114,762	190,787
Other income	28,595	28,024
	<u>\$ 151,864</u>	<u>\$ 230,005</u>

(XXVIII) Other gains and losses

<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
-------------------------------------	-------------------------------------

Gains on disposals of real estate, plant and equipment	\$	17	\$	664
Gains on lease modifications		-		66
Foreign exchange net (loss) gain	(	5,920)		339,032
Gains on Financial assets at fair value through profit or loss		-		-
Fair value adjustment gain - investment property		-		-
Others		95		-
	(\$	5,808)	\$	339,762

	<u>January 1 to September 30, 2024</u>		<u>January 1 to September 30, 2023</u>	
Gains on disposals of real estate, plant and equipment	\$	1,380	\$	1,304
Gains on lease modifications		-		91
Net foreign exchange gains		65,457		479,625
Gains on Financial assets at fair value through profit or loss		206,908		16,486
Fair value adjustment gain - investment property		329,102		23,159
Others	(	88)		947
	\$	602,759	\$	521,612

(XXIX) Financial Costs

	<u>July 1 to September 30, 2024</u>		<u>July 1 to September 30, 2023</u>	
Interest Cost				
Bank loan and short-term notes and bills	\$	40,809	\$	71,269
Lease liabilities		189		280
Others		3,037		2,535
Other financial expenses		77		-
	\$	44,112	\$	74,084

	<u>January 1 to September 30, 2024</u>		<u>January 1 to September 30, 2023</u>	
Interest Cost				
Bank loan and short-term notes	\$	106,913	\$	208,054

and bills

Lease liabilities	647	951
Others	8,875	7,468
Other financial expenses	82	32
	<u>\$ 116,517</u>	<u>\$ 216,505</u>

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

	<u>July 1 to September 30,</u> <u>2024</u>	<u>July 1 to September 30,</u> <u>2023</u>	
Raw materials and supplies consumed	\$ 9,130	\$ 4,523	
Changes in inventories of finished goods and work-in-process	160,870	121,869	
Changes in merchandise inventory	291,510	296,686	
Contract processing expense	31,060	18,257	
Gain from price recovery of inventory	( 7)	11,09( 15)	3,7
Employee benefit expense	99,677	109,769	
Depreciation expenses for property, plant and equipment	11,658	11,594	
Depreciation expenses for right-of-use assets	13,075	12,741	
Amortization	516	735	
Gain on reversal of expected credit impairment loss	( 34)	( 60)	5
Other operating costs and expenses	<u>79,443</u>	<u>99,807</u>	
	<u>\$ 685,808</u>	<u>\$ 671,706</u>	

	<u>January 1 to September</u> <u>30, 2024</u>	<u>January 1 to September</u> <u>30, 2023</u>	
Raw materials and supplies consumed	\$ 19,002	\$ 12,558	
Changes in inventories of finished goods and work-in-process	425,357	499,585	
Changes in merchandise inventory	859,967	857,294	
Contract processing expense	81,191	61,032	

Gain from price recovery of inventory	(	22,871	(	28,938
	)		)	
Employee benefit expense	309,492		310,095	
Depreciation expenses for property, plant and equipment	33,887		36,005	
Depreciation expenses for right-of-use assets	38,932		38,921	
Amortization	1,179		2,038	
Gain on reversal of expected credit impairment loss	(	9	(	54
	5)		8)	
Other operating costs and expenses				
	<u>237,364</u>		<u>251,076</u>	
	<u>\$</u>	<u>1,983,405</u>	<u>\$</u>	<u>2,039,118</u>

(XXXI) Employee benefit expense

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Wages and salaries	\$ 81,909	\$ 92,574
Labor and Health Insurance costs	7,523	7,571
Pension expense	3,974	4,084
Directors' Remuneration	1,915	1,914
Other employment fees	<u>4,356</u>	<u>3,626</u>
	<u>\$ 99,677</u>	<u>\$ 109,769</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Wages and salaries	\$ 254,221	\$ 256,214
Labor and Health Insurance costs	24,676	25,017
Pension expense	11,868	12,308
Directors' Remuneration	5,744	5,742
Other employment fees	<u>12,983</u>	<u>10,814</u>
	<u>\$ 309,492</u>	<u>\$ 310,095</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 three and nine months ended September 30, 2024 and 2023, employees' compensation was estimated at NT\$10,055, NT\$19,924, NT\$35,768, and NT\$34,286, 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 September 30, 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.

(XXXII) Income tax

1. Income tax expense:

(1) Components of Income tax expense:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Current income tax:		
Income tax occurred in the current period	\$ -	\$ 58,286
Extra imposed on undistributed earnings	-	-
Underestimation on income tax for prior years	-	-
Total income tax for current period	-	58,286
Deferred income tax:		
Origination and reversal of temporary differences	2,581	7,237
Income tax expense	\$ 2,581	\$ 65,523
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Current income tax:		
Income tax occurred in the current period	\$ -	\$ 58,286
Extra imposed on undistributed earnings	168,701	-
Underestimation on income tax for prior years	55	19,703
Total income tax for current period	168,756	77,989
Deferred income tax:		
Origination and reversal of temporary differences	108,346	102,761
Income tax expense	\$ 277,102	\$ 180,750



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

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Changes in unrealized valuation (profit) loss -group	\$ 74,565	(\$ 93,750)
Differences on translation of foreign operations - group	( 14,212)	24,042
Share of other comprehensive income from associates	( 19,597)	33,104
	<u>\$ 40,756</u>	<u>(\$ 36,604)</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Changes in unrealized valuation (profit) loss -group	\$ 148,153	(\$ 103,427)
Differences on translation of foreign operations - group	16,984	32,053
Share of other comprehensive income from associates	( 92,516)	21,995
	<u>\$ 72,621</u>	<u>(\$ 49,379)</u>

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

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Capital surplus	<u>(\$ 26)</u>	<u>(\$ 1,382)</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Capital surplus	<u>(\$ 1,280)</u>	<u>(\$ 1,635)</u>

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

(XXXIII) Non-controlling Interest

	<u>2024</u>		<u>2023</u>
January 1	\$ 2,066,469	\$	2,677,309
Capital returned due to capital reduction	- (		29,535)
Decrease in the acquired cash dividends	- (		25,665)

Net income of current period	83,138	65,391
Differences on translation of foreign operations	52,811	116,061
Changes in unrealized valuation profit or loss	187,653 (	409,984)
Net changes in non-controlling interest	( 9,800)	-
September 30	<u>\$ 2,380,271</u>	<u>\$ 2,393,577</u>

(XXXIV) Earnings per share

	<u>July 1 to September 30, 2024</u>		
		<u>Number of shares outstanding (thousand shares) at the end of the period</u>	<u>Earnings per share (NTD)</u>
<u>Basic earnings per share</u>	<u>After-tax amount</u>		
Net income attributable to ordinary shareholders of the parent	<u>\$ 3,334,971</u>	<u>1,043,663</u>	<u>\$ 3.20</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 3,334,971	1,043,663	
Dilutive potential ordinary shares effecting employee compensation	-	459	
Net income for the period attributable to the common shareholders of the parent company plus the effect of potential common shares	<u>\$ 3,334,971</u>	<u>1,044,122</u>	<u>\$ 3.19</u>

	<u>July 1 to September 30, 2023</u>		
		<u>Number of shares outstanding (thousand shares) at the end of the period</u>	<u>Earnings per share (NTD)</u>
<u>Basic earnings per share</u>	<u>After-tax amount</u>		
Net income attributable to ordinary shareholders of the parent	<u>\$ 6,555,831</u>	<u>1,043,663</u>	<u>\$ 6.28</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 6,555,831	1,043,663	

Dilutive potential ordinary shares effecting employee compensation	<u>-</u>	<u>604</u>	
Net income for the period attributable to the common shareholders of the parent company plus the effect of potential common shares	<u>\$ 6,555,831</u>	<u>1,044,267</u>	<u>\$ 6.28</u>

	<u>January 1 to September 30, 2024</u>		
		<u>Number of shares outstanding (thousand shares) at the end of the period</u>	<u>Earnings per share (NTD)</u>
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	<u>\$ 11,606,696</u>	<u>1,043,663</u>	<u>\$ 11.12</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 11,606,696	1,043,663	
Dilutive potential ordinary shares effecting employee compensation	<u>-</u>	<u>557</u>	
Net income for the period attributable to the common shareholders of the parent company plus the effect of potential common shares	<u>\$ 11,606,696</u>	<u>1,044,220</u>	<u>\$ 11.12</u>

	<u>January 1 to September 30, 2023</u>		
		<u>Number of shares outstanding (thousand shares) at the end of the period</u>	<u>Earnings per share (NTD)</u>
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	<u>\$ 11,215,786</u>	<u>1,043,663</u>	<u>\$ 10.75</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 11,215,786	1,043,663	
Dilutive potential ordinary shares effecting employee compensation	<u>-</u>	<u>769</u>	
Net income for the period attributable to the common shareholders of the parent company plus	<u>\$ 11,215,786</u>	<u>1,044,432</u>	<u>\$ 10.74</u>

the effect of potential common shares

(XXXV) Cash flow supplementary information

1. Investing activities received partially in cash:

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Disposal of real estate properties, plants and equipment	\$ 27	\$ 8
Add: Gains on disposals of real estate, plants, and equipment	1,380	1,304
Add: Other receivables at the beginning of the period	6,627	4,425
Less: Other receivables at the end of the period	( 1,354)	( 2,384)
Cash received during this period	<u>\$ 6,680</u>	<u>\$ 3,353</u>

2. Investing activities paid partially by cash:

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Acquisition of property, plant and equipment	\$ 22,285	\$ 13,670
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	( 4,591)	( 1,573)
Cash payments for current period	<u>\$ 19,178</u>	<u>\$ 13,154</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 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 September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Purchase of intangible assets	\$ 1,818	\$ 1,049
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>1,818</u>	\$	<u>1,049</u>
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3. Investing activities not affecting cash flow:

	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Prepayments for business facilities reclassified to property, plant and equipment	\$ <u>2,250</u>	\$ <u>-</u>
Property, plant and equipment reclassified to non-current assets held for sale	\$ <u>113,425</u>	\$ <u>-</u>

(XXXVI) 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	200,000	-	56,696	( 6,250,000)	( 39,408)	( 6,032,712)
Addition-Newly added lease contracts-	-	-	-	-	1,166	1,166
Other non-cash changes	-	-	-	-	38	38
September 30	<u>\$ 550,000</u>	<u>-</u>	<u>\$ 846,305</u>	<u>\$ 8,395,000</u>	<u>\$ 63,675</u>	<u>\$ 9,854,980</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	( 1,590,000)	( 500,000)	28,948	3,420,000	( 39,142)	1,319,806
Addition	-	-	-	-	825	825
Modifications to leases	-	-	-	-	( 3,323)	( 3,323)
Other non-cash changes	-	302	-	-	-	302
September 30	<u>\$ 700,000</u>	<u>-</u>	<u>\$ 771,321</u>	<u>\$ 16,770,000</u>	<u>\$ 107,582</u>	<u>\$ 18,348,903</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)
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>July 1 to September 30, 2024</u>		<u>July 1 to September 30, 2023</u>	
Sale of goods:				
Associates	\$	949	\$	85
Other related parties		953		1,310
Rental income:				
Associates		29		29
Other related parties				
-Ruentex Engineering & Construction		20,416		15,768
-Others		85		85
	\$	<u>22,432</u>	\$	<u>17,277</u>
	<u>January 1 to September 30, 2024</u>		<u>January 1 to September 30, 2023</u>	
Sale of goods:				
Associates	\$	1,492	\$	861
Other related parties		7,168		6,540
Rental income:				
Associates		88		88
Other related parties				
-Ruentex Engineering & Construction		60,499		53,723
-Others		255		255
	\$	<u>69,502</u>	\$	<u>61,467</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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Less than one years	\$ 63,645	\$ 74,899	\$ 62,570

More than one year and less than five years	254,580	248,586	236,110
More than 5 years	<u>678,881</u>	<u>709,506</u>	<u>688,654</u>
	<u>\$ 997,106</u>	<u>\$ 1,032,991</u>	<u>\$ 987,334</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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes receivable:			
Other related parties	<u>\$ 316</u>	<u>\$ 840</u>	<u>\$ 499</u>
Accounts receivable:			
Associates	<u>\$ 4</u>	<u>\$ 13</u>	<u>\$ 43</u>
Other related parties	<u>2,007</u>	<u>1,207</u>	<u>1,326</u>
	<u>\$ 2,011</u>	<u>\$ 1,220</u>	<u>\$ 1,369</u>
Other receivables:			
Associates			
-Nan Shan Life Insurance	<u>\$ 2,358</u>	<u>\$ 4,545</u>	<u>\$ 2,358</u>
-Ruentex Development	<u>538</u>	<u>558</u>	<u>812,763</u>
-Others	<u>26</u>	<u>90</u>	<u>90</u>
Other related parties	<u>1,362</u>	<u>1,553</u>	<u>1,944</u>
	<u>\$ 4,284</u>	<u>\$ 6,746</u>	<u>\$ 817,155</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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes payable:			
Associates	<u>\$ 32</u>	<u>\$ 29</u>	<u>\$ 30</u>
Other related parties	<u>-</u>	<u>359</u>	<u>-</u>
	<u>\$ 32</u>	<u>\$ 388</u>	<u>\$ 30</u>
Accounts payable:			
Other related parties	<u>\$ 17</u>	<u>\$ 8</u>	<u>\$ 16</u>
	<u>\$ 17</u>	<u>\$ 8</u>	<u>\$ 16</u>
Other payables:			



Associates	\$	91	\$	1,104	\$	91
Other related parties		<u>841</u>		<u>1,061</u>		<u>672</u>
	\$	<u>932</u>	\$	<u>2,165</u>	\$	<u>763</u>

4. Non-operating income and expenses

	<u>July 1 to September 30, 2024</u>		<u>July 1 to September 30, 2023</u>	
Interest revenue:				
Associates				
-Nan Shan Life Insurance	\$	<u>2,187</u>	\$	<u>2,187</u>
Dividend income:				
Other related parties				
-Ruentex Engineering & Construction	\$	90,837	\$	168,217
-Others		<u>7,594</u>		<u>1,549</u>
	\$	<u>98,431</u>	\$	<u>169,766</u>
Other income:				
Associates	\$	1,794	\$	1,903
Other related parties				
-Ruentex Engineering & Construction		1,309		1,303
-Others		<u>2,137</u>		<u>2,659</u>
	\$	<u>5,240</u>	\$	<u>5,865</u>
	<u>January 1 to September 30, 2024</u>		<u>January 1 to September 30, 2023</u>	
Interest revenue:				
Associates				
-Nan Shan Life Insurance	\$	<u>6,562</u>	\$	<u>6,562</u>
Dividend income:				
Other related parties				
-Ruentex Engineering & Construction	\$	90,837	\$	168,217
-Others		<u>7,594</u>		<u>1,549</u>
	\$	<u>98,431</u>	\$	<u>169,766</u>
Other income:				
Associates	\$	5,380	\$	5,527
Other related parties				
-Ruentex Engineering & Construction		3,927		3,909

-Others	<u>7,294</u>	<u>7,977</u>
	<u>\$ 16,601</u>	<u>\$ 17,413</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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Key management personnel	<u>\$ 38,809,900</u>	<u>\$ 39,909,900</u>	<u>\$ 41,009,900</u>

7. Other

Please refer to Note 6(11) for details.

(III) Key management compensation information

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Wages and salaries and other short-term employee benefits	\$ 6,680	\$ 6,763
Post-employment benefits	<u>311</u>	<u>311</u>
Total	<u>\$ 6,991</u>	<u>\$ 7,074</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Wages and salaries and other short-term employee benefits	\$ 20,246	\$ 19,152
Post-employment benefits	<u>933</u>	<u>933</u>
Total	<u>\$ 21,179</u>	<u>\$ 20,085</u>

VIII. Pledged Assets

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

<u>Asset items</u>	<u>Carrying amount</u>			<u>For guarantee purpose</u>
	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	
Investments accounted for using equity method	\$ 9,099,926	\$ 8,569,002	\$ 7,616,942	For mid- and long-term loans, short-term borrowings, and issue of commercial paper
Inventories	36,836	46,545	83,134	Mid- and long-term loans
Property, plant, and equipment	924,194	926,993	929,792	Mid- and long-term loans
Financial assets at fair value through other comprehensive income - non-current	1,947,965	1,738,505	1,874,050	Mid- and long-term loans
Investment Real Estate	8,438,390	8,115,380	7,896,912	Mid- and long-term loans
Financial Assets at amortized cost- non-Current	67,800	4,272,468	4,430,185	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 (17), 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 the land held at land lot 219, Taifeng Section, Xinfeng Township, Hsinchu County (accounted for under inventory-construction land) for the land in Pingding Section, Xinfeng Township, Hsinchu County, held by the Hsinchu County Government; as of February 2022, the relevant procedures had not been completed, so it was automatically canceled in accordance with the original agreement. The Company signed a new land exchange agreement with the Hsinchu County Government in 2023, and on July 10, 2024, the board of directors approved the signing of a land exchange agreement with the Hsinchu County Government for land exchange related matters. Relevant procedures had not been completed as of November 12, 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

Except described in Notes 6(13) and 9, there is no other subsequent event occurring.

## 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 September 30, 2024, December 31, 2023, and September 30, 2023 were as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Total borrowings	\$ 8,945,000	\$ 14,995,000	\$ 17,470,000
Less: Cash and cash equivalents	( 3,692,822)	( 7,248,962)	( 9,004,216)
Net debt	5,252,178	7,746,038	8,465,784
Total equity	<u>109,454,216</u>	<u>98,119,830</u>	<u>88,989,784</u>
Total capital	<u>\$ 114,706,394</u>	<u>\$ 105,865,868</u>	<u>\$ 97,455,568</u>
Debt-to-total-capital ratio	4.58%	7.32%	8.69%

### (II) Financial instruments

#### 1. Type of financial instruments

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss - non-current	\$ 3,275,768	\$ 3,030,078	\$ 3,125,859
Financial assets at fair value through other comprehensive income - Non-Current	8,933,974	6,301,163	6,536,397

## Financial assets at amortized cost

Cash and cash equivalents	3,692,822	7,248,962	9,004,216
Notes receivable	406	319	407
Notes Receivable – related party	316	840	499
Accounts receivable	133,450	155,839	130,914
Accounts receivable - related party	2,011	1,220	1,369
Other receivables	15,200	33,454	64,955
Other receivables - related Party	4,284	6,746	817,155
Current and non-current financial assets at amortized cost/loans and receivables	412,387	4,552,688	4,702,280
Refundable deposits (listed as other non-current assets)	45,780	45,287	45,359
	<u>\$ 16,516,398</u>	<u>\$ 21,376,596</u>	<u>\$ 24,429,410</u>

## Financial liabilities

Financial liabilities are carried at amortized cost

Short-term borrowings	\$ 550,000	\$ 350,000	\$ 700,000
Notes payable	126,693	97,385	143,535
Notes Payable – related Party	32	388	30
Accounts Payable	270,122	203,800	263,826
Accounts Payable – related Party	17	8	16
Other payables	224,462	277,149	244,899
Other Payable - Related Party	932	2,165	763
Long-term borrowings (including loans due within a year or due withing the operating cycles)	8,395,000	14,645,000	16,770,000
Guarantee deposits received (listed as other non-current liabilities)	846,305	789,609	771,321
	<u>\$ 10,413,563</u>	<u>\$ 16,365,504</u>	<u>\$ 18,894,390</u>
Lease liabilities - current and non-current	<u>\$ 63,675</u>	<u>\$ 101,879</u>	<u>\$ 107,582</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:

##### September 30, 2024

					<u>Sensitivity analysis</u>					
	<u>Foreign currency (thousands)</u>		<u>Exchange rate</u>	<u>Carrying amount (NT\$)</u>	<u>Range of variation</u>	<u>Effects on profit and loss</u>	<u>Effects on other comprehensive income</u>			
<u>Financial assets</u>										
<u>Monetary item</u>										
USD:NTD	\$	4,715	31.650	\$	149,230	5%	\$	7,462	\$	-
HKD:NTD		217	4.080		885	5%		44		-
CNY:NTD		1,730	4.523		7,825	5%		391		-
<u>Financial liabilities</u>										
<u>Monetary item</u>										
USD:NTD	\$	29	31.650	\$	918	5%	\$	46	\$	-
HKD:NTD		85	4.080		347	5%		17		-

##### December 31, 2023

				<u>Sensitivity analysis</u>			
	<u>Foreign currency (thousands)</u>	<u>Exchange rate</u>	<u>Carrying amount (NT\$)</u>	<u>Range of variation</u>	<u>Effects on profit and loss</u>	<u>Effects on other comprehensive income</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	-	

##### September 30, 2023

<u>Foreign</u>	<u>Exchange rate</u>	<u>Carrying amount</u>	<u>Sensitivity analysis</u>
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	<u>currency</u> <u>(thousands)</u>		<u>(NT\$)</u>	<u>Range of</u> <u>variation</u>	<u>Effects on profit and</u> <u>loss</u>	<u>Effects on other comprehensive</u> <u>income</u>	
<u>Financial assets</u>							
<u>Monetary item</u>							
USD:NTD	\$	309,431	32.270	\$ 9,985,338	5%	\$ 499,267	\$ -
HKD:NTD		685	4.120	2,822	5%	141	-
CNY:NTD		7,605	4.415	33,576	5%	1,679	-
<u>Financial liabilities</u>							
<u>Monetary item</u>							
USD:NTD	\$	48	32.270	\$ 1,549	5%	\$ 77	\$ -
HKD:NTD		103	4.120	424	5%	21	-

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\$(5,920), NT\$339,032, NT\$65,457, and NT\$479,625, for the three and nine months ended September 30, 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 nine months ended September 30, 2024 and 2023 would have increased/decreased by NT\$446,699 and NT\$326,820, 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 nine months ended September 30, 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\$131,031 and NT\$125,034.

### 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 September 30, 2024, December 31, 2023, and September 30, 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 expose 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 nine months ended September 30, 2024 and 2023 would have decreased/increased by NT\$26,835 and NT\$52,410, 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 September 30, 2024, December 31, 2023, and September 30, 2023, the loss rate methodology is as follows:

<u>September 30, 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%	0.06%	50%~100%	100%	
Total carrying amount (including related parties)	\$ 118,094	\$ 17,372	\$ 9	\$ 4,088	\$ 139,563
Allowance for losses	\$ 2	\$ 6	\$ 6	\$ 4,088	\$ 4,102
<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
September 30, 2023	Not overdue	Past due 1-90 days	Past due 91 days and more	Each	Total
Expected loss	0.00%~0.21%	7.40%	50%~100%	100%	
Total carrying amount (including related parties)	\$ 128,145	\$ 4,304	\$ 407	\$ 4,088	\$ 136,944
Allowance for losses	\$ 203	\$ 318	\$ 52	\$ 4,088	\$ 4,661

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	( 95)	( 548)
September 30	<u>\$ 4,102</u>	<u>\$ 4,661</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. As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group's position held in money market were NT\$3,626,813, NT\$6,298,627, and NT\$8,899,244.
- C. Detail of the loan credit not yet drawn down by the Group is as follows:

	<u>September 30,</u> <u>2024</u>	<u>December 31, 2023</u>	<u>September 30,</u> <u>2023</u>
Due within one year	\$ 7,260,000	\$ 6,410,000	\$ 8,110,000
Due longer than one year	<u>23,500,000</u>	<u>23,000,000</u>	<u>19,850,000</u>
	<u>\$ 30,760,000</u>	<u>\$ 29,410,000</u>	<u>\$ 27,960,000</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>September 30, 2024</u>	<u>Within 1 year</u>	<u>Within 1-5 years</u>
Short-term borrowings (Note)	\$ 550,834	\$ -
Notes payable	126,693	-
Notes Payable – related Party	32	-
Accounts Payable	270,122	-
Accounts Payable – related Party	17	-
Other payables	224,462	-
Other Payable - Related Party	932	-
Lease liabilities (Note)	40,798	23,440

Long-term borrowings (including due within one year or one operating cycle) (Note)	1,060,213	7,551,534
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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:

September 30, 2023	Within 1 year	Within 1-5 years
Short-term borrowings (Note)	\$ 701,649	\$ -
Notes payable	143,535	-
Notes Payable – related Party	30	-
Accounts Payable	263,826	-
Accounts Payable – related Party	16	-
Other payables	244,899	-
Other Payable - Related Party	763	-
Lease liabilities (Note)	15,411	58,037
Long-term borrowings (including due within one year or one operating cycle) (Note)	1,845,639	15,340,411

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:

September 30, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss - non-current				
Non-derivative financial assets				
- Foreign privately offered fund	\$ -	\$ -	\$ 3,275,768	\$ 3,275,768
Financial assets at fair value through other comprehensive income acquired - non-Current				
Equity instrument investment				
- Domestic TWSE- and TPEx-listed stocks	\$ 6,677,054	\$ -	\$ -	\$ 6,677,054
- Domestic stocks listed in TPEx	-	-	240,000	240,000
- Domestic unlisted stocks	-	-	112,108	112,108
- Foreign listed stocks	<u>1,904,812</u>	<u>-</u>	<u>-</u>	<u>1,904,812</u>
Subtotal	<u>\$ 8,581,866</u>	<u>\$ -</u>	<u>\$ 352,108</u>	<u>\$ 8,933,974</u>
Investment property (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,130,665</u>	<u>\$ 9,130,665</u>
Total	<u>\$ 8,581,866</u>	<u>\$ -</u>	<u>\$ 12,758,541</u>	<u>\$ 21,340,407</u>
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	<u>1,487,542</u>	<u>-</u>	<u>-</u>	<u>1,487,542</u>
Subtotal	<u>\$ 6,146,516</u>	<u>\$ -</u>	<u>\$ 154,647</u>	<u>\$ 6,301,163</u>
Investment property (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,801,563</u>	<u>\$ 8,801,563</u>
Total	<u>\$ 6,146,516</u>	<u>\$ -</u>	<u>\$ 11,986,288</u>	<u>\$ 18,132,804</u>

September 30, 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	\$ -	\$ -	\$ 3,125,859	\$ 3,125,859
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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	\$ 4,575,865	\$ -	\$ -	\$ 4,575,865
- Domestic stocks listed in TPEX	-	-	43,097	43,097
- Domestic unlisted stocks	-	-	96,480	96,480
- Foreign listed stocks	<u>1,820,955</u>	<u>-</u>	<u>-</u>	<u>1,820,955</u>
Subtotal	<u>\$ 6,396,820</u>	<u>\$ -</u>	<u>\$ 139,577</u>	<u>\$ 6,536,397</u>
Investment property (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,580,672</u>	<u>\$ 8,580,672</u>
Total	<u>\$ 6,396,820</u>	<u>\$ -</u>	<u>\$ 11,846,108</u>	<u>\$ 18,242,928</u>

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 September 30, 2024 and 2023.

6. The following table shows the change of Level 3 fair value for the periods from January 1 to September 30, 2024 and 2023:

	<u>2024</u>		
	<u>Debt instruments at fair value through profit or loss</u>	<u>Equity instruments at fair value through other comprehensive income</u>	<u>Total</u>
January 1	\$ 3,030,078	\$ 154,647	\$ 3,184,725
Purchase for current period	38,782	240,000	278,782
Transfer out			
- Cost	-	( 9,059)	( 9,059)
-Adjustments for valuation	-	( 44,431)	( 44,431)
Adjustments for valuation	206,908	10,951	217,859
September 30	<u>\$ 3,275,768</u>	<u>\$ 352,108</u>	<u>\$ 3,627,876</u>

	<u>2023</u>	
	<u>Debt instruments at fair</u>	<u>Equity instruments at</u>



	<u>value through profit or loss</u>	<u>fair value through other comprehensive income</u>	<u>Total</u>
January 1	\$ 3,092,072	\$ 127,238	\$ 3,219,310
Purchase for current period	17,301	-	17,301
Distribution of dividends at cost of investment	-	( 954)	( 954)
Decrease in the current period			
- Cost	-	( 1,248)	( 1,248)
-Adjustments for valuation	-	1,248	1,248
Adjustments for valuation	<u>16,486</u>	<u>13,293</u>	<u>29,779</u>
September 30	<u>\$ 3,125,859</u>	<u>\$ 139,577</u>	<u>\$ 3,265,436</u>

7. Please refer to Note 6(5) for the transfers at Level 3 during the nine months ended September 30, 2024 and 2023.
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:

	September 30, 2024	<u>Valuation techniques</u>	<u>Significant unobservable inputs</u>	<u>Interval</u>	<u>Relationship between inputs and fair value</u>
Investment Real Estate	\$ 4,150,493	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.
"	4,980,172	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	240,000	Asset-Based Approach	Not applicable	Not applicable	Not applicable
Domestic unlisted stocks	700	Asset-Based Approach	Not applicable	Not applicable	Not applicable
"	111,408	Market approach	Discount for lack of marketability	12.82% - 20.95%	The higher the degree of lack of liquidity, the lower the fair value estimate
Foreign privately offered fund	3,275,768	Asset-Based Approach	Not applicable	Not applicable	Not applicable
December 31, 2023					
Investment Real Estate	<u>Fair value</u> \$ 4,025,693	<u>Valuation techniques</u> The discounted cash flow method of the income approach	<u>Significant unobservable inputs</u> Long-term rental income growth rates and discount rates	<u>Interval</u> Note 1	<u>Relationship between inputs and fair value</u> The higher the growth rate of long-term rental income, the higher the fair value; the higher the discount rate, the lower the fair value.
"	4,775,870	The method of land development analysis	Profit margin and overall capital interest rate	Note 2	As the profit margin decreases, the fair value is higher; as the overall capital interest rate increases, the fair value is lower
Non-derivative Equity Instrument:					
Shares of domestic TPEX-listed companies	53,490	Market approach	Discount for lack of marketability	3.48%	The higher the degree of lack of liquidity, the lower the fair value estimate
Domestic unlisted stocks	700	Asset-Based Approach	Not applicable	Not applicable	Not applicable
"	100,457	Market approach	Discount for lack of marketability	14.49%~20.89 %	The higher the degree of lack of liquidity, the lower the fair value estimate
Foreign privately offered fund	3,030,078	Asset-Based Approach	Not applicable	Not applicable	Not applicable
September 30, 2023					
Investment Real Estate	<u>Fair value</u> \$ 3,964,377	<u>Valuation techniques</u> The discounted cash flow method of the income approach	<u>Significant unobservable inputs</u> Long-term rental income growth rates and discount rates	<u>Interval</u> Note 1	<u>Relationship between inputs and fair value</u> 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.
"	4,616,295	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	43,097	Market approach	Discount for lack of marketability	9.72%	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

"	95,780	Market approach	Discount for lack of marketability	20.06%~29.70 %	The higher the degree of lack of liquidity, the lower the fair value estimate
Foreign privately offered fund	3,125,859	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>September 30, 2024</u>			<u>September 30, 2024</u>	
		<u>Recognized in profit and loss</u>			<u>Recognized as other comprehensive income</u>	
	<u>Inputs</u>	<u>Change s</u>	<u>Favorable changes</u>	<u>Adverse changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>
Financial assets						
Equity Instrument	Lack of marketability					
	Marketability discount	±10%	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,211</u>	<u>(\$ 35,211)</u>
Debt instrument	Lack of marketability					
	Marketability discount	±10%	<u>\$ 327,577</u>	<u>(\$ 327,577)</u>	<u>\$ -</u>	<u>\$ -</u>
		<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>Inputs</u>	<u>Change s</u>	<u>Favorable changes</u>	<u>Adverse changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>
Financial assets						
Equity Instrument	Lack of marketability					
	Marketability discount	±10%	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,465</u>	<u>(\$ 15,465)</u>
Debt instrument	Lack of marketability					
	Marketability discount	±10%	<u>\$ 303,008</u>	<u>(\$ 303,008)</u>	<u>\$ -</u>	<u>\$ -</u>
		<u>September 30, 2023</u>			<u>September 30, 2023</u>	
		<u>Recognized in profit and loss</u>			<u>Recognized as other comprehensive income</u>	
	<u>Inputs</u>	<u>Change</u>	<u>Favorable</u>	<u>Adverse</u>	<u>Favorable changes</u>	<u>Adverse changes</u>

		<u>s</u>	<u>changes</u>	<u>changes</u>		
Financial assets						
Equity Instrument	Lack of marketability					
	Marketability discount	±10%	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,958</u>	<u>(\$ 13,958)</u>
Debt instrument	Lack of marketability					
	Marketability discount	±10%	<u>\$ 312,586</u>	<u>(\$ 312,586)</u>	<u>\$ -</u>	<u>\$ -</u>

### XIII. Separately Disclosed Items

#### (I) Significant transaction information

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

(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 September 30, 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	\$ 605,326	\$ 390,856	\$ 918,421	\$ 74,849	\$ 60,349	\$ -	\$ 2,049,801	
Internal revenue	112,242	9,224	-	10,870	58,039	( 190,375)	-	
Departmental revenue	<u>\$ 717,568</u>	<u>\$ 400,080</u>	<u>\$ 918,421</u>	<u>\$ 85,719</u>	<u>\$ 118,388</u>	<u>(\$ 190,375)</u>	<u>\$ 2,049,801</u>	
Operating net income (loss) from the department to be reported	<u>(\$ 46,285)</u>	<u>\$ 4,665</u>	<u>(\$ 1,273)</u>	<u>\$ 52,566</u>	<u>\$ 56,723</u>	<u>\$ -</u>	<u>\$ 66,396</u>	
Share of profit or loss on associates accounted for using the equity method	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,225,444</u>	<u>(\$ 74,385)</u>	<u>\$ 11,151,059</u>	
Dividend income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,199</u>	<u>\$ -</u>	<u>\$ 120,199</u>	
Financial Costs	<u>(\$ 107,506)</u>	<u>(\$ 74)</u>	<u>(\$ 1,452)</u>	<u>(\$ 8,916)</u>	<u>\$ -</u>	<u>\$ 1,431</u>	<u>(\$ 116,517)</u>	
Interest revenue	<u>\$ 15,567</u>	<u>\$ 9</u>	<u>\$ 66</u>	<u>\$ 290</u>	<u>\$ 95,486</u>	<u>(\$ 43)</u>	<u>\$ 111,375</u>	
	<u>January 1 to September 30, 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	\$ 653,859	\$ 401,690	\$ 911,139	\$ 66,361	\$ 74,966	\$ -	\$ 2,108,015	
Internal revenue	161,865	21,066	-	10,867	47,296	( 241,094)	-	
Departmental revenue	<u>\$ 815,724</u>	<u>\$ 422,756</u>	<u>\$ 911,139</u>	<u>\$ 77,228</u>	<u>\$ 122,262</u>	<u>(\$ 241,094)</u>	<u>\$ 2,108,015</u>	
Operating net income (loss)	<u>(\$ 49,525)</u>	<u>\$ 11,858</u>	<u>\$ 3,180</u>	<u>\$ 32,104</u>	<u>\$ 71,280</u>	<u>\$ -</u>	<u>\$ 68,897</u>	

from the department to be  
reported

Share of profit or loss on  
associates accounted for

using the equity method	\$	-	\$	-	\$	-	\$	-	\$	10,502,564	(\$	65,958)	\$	10,436,606
Dividend income	\$	-	\$	-	\$	-	\$	-	\$	199,019	\$	-	\$	199,019
Financial Costs	(\$	208,863)	(\$	8)	(\$	1,667)	(\$	7,506)	(\$	1)	\$	1,540	(\$	216,505)
Interest revenue	\$	382,582	\$	-	\$	60	\$	254	\$	38,455	(\$	39)	\$	421,312

(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 nine months ended September 30, 2024 and 2023 is as follows:

	<u>January 1 to September 30,</u> <u>2024</u>	<u>January 1 to September 30,</u> <u>2023</u>
Income/loss from the department to be reported	\$ 66,396	\$ 68,897
Adjustments and written-off	<u>-</u>	<u>-</u>
Total	66,396	68,897
Share of profit or loss on associates accounted for using the equity method	11,151,059	10,436,606
Financial Costs	( 116,517)	( 216,505)
Interest revenue	111,375	421,312
Other income	151,864	230,005
Other gains and losses	<u>602,759</u>	<u>521,612</u>
Income before tax from continuing operations	<u>\$ 11,966,936</u>	<u>\$ 11,461,927</u>



Securities held at the end of the period (not including investments in subsidiaries, associates and jointly controlled entities)  
September 30, 2024

Attached Table 1

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

Company holding the securities	Type and name of the securities	Relationship with the issuer of securities	End of the period					Remark	
			Account recognized	Shares	Carrying amount		Shareholding percentage		Fair value
					(Note 3)	(Note 4)			
	(Note 1)	(Note 2)							
Ruentex Industries Ltd.	Magi Capital Fund II, L.P.	-	Financial assets at fair value through profit or loss - non-current	-	\$ 242,901	5.23	\$ 242,901		
	HOPU USD MASTER FUND III, L.P.	-	"	-	3,032,867	3.80	3,032,867		
	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	23,550,359	3,450,128	9.10	3,450,128		
	Shares of Save & Safe Corporation	-	"	4,267,233	89,527	2.51	89,527		
	Shares of Ruentex Interior Design Inc.	-	"	333,773	77,435	2.23	77,435	Note 12	
	Shares of Huiyang Venture Capital Co., Ltd.	-	"	70,000	700	2.56	700		
	Shares of Uni Airways Corporation	-	"	695,077	21,881	0.18	21,881		
	Shares of Pacific Resources Corporation	-	"	7,886	-	1.05	-		
	Shares of Brogent Technologies Inc.	-	"	3,230,310	592,762	4.98	592,762	Note 8	
	Shares of TaiMed Biologics	-	"	10,910,228	869,545	4.00	869,545	Notes 7 and 9	
	Shares of OBI Pharma, Inc.	-	"	9,358,385	711,237	4.08	711,237	Note 5	
	Shares of Sunny Friend Environmental Technology Co., Ltd.	-	"	3,994,233	368,668	3.07	368,668	Note 6	
	Shares of AP Biosciences Inc.	-	"	4,000,000	240,000	4.71	240,000	Note 11	
	Shares of Tanvex BioPharma, Inc.	-	"	5,767,039	400,233	3.51	400,233	Note 10	
	Shares of Ruentex Materials Co., Ltd.	The Company is a juridical person director of the company.	"	7,139,530	207,046	4.76	207,046		
	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	2,854,284	3.31	2,854,284		
Concord Greater China Limited.	Shares of Sun Art Retail Group Ltd.	-	"	231,204,324	1,688,520	2.42	1,688,520		
Sinopac Global Investment Ltd.	OPKO Health Inc.Shares of (OPK)	-	"	4,571,665	215,593	0.66	215,593		
	Gogoro Inc.Shares of (GGR)	-	"	41,647	699	0.02	699		

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\$608,000 thousand was pledged to financial institutions for financing loans.

Note 6: The provision of 2,310 thousand shares, a total of NT\$213,213 thousand was pledged to financial institutions for financing loans.

Note 7: The provision of 6,700 thousand shares, a total of NT\$533,990 thousand was pledged to financial institutions for financing loans.

Note 8: The provision of 3,230 thousand shares, a total of NT\$592,762 thousand was pledged to financial institutions for financing loans.

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

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

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

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

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 September 30, 2024

Attached Table 2

Unit: NT\$ thousands

(Except as Otherwise Indicated)

		<u>Transaction information</u>					
No.		Relationship with the transaction party				As a percentage of the consolidated total operating revenue or total assets	
(Note 1)	Name of the transaction party	Transaction counterparty	(Note 2)	Account	Amount	<u>Terms and conditions of transaction</u>	(Note 3)
Zero	Ruentex Industries Ltd.	Kompass Global Sourcing Solutions Ltd.	1	Sales revenue	\$ 28,584	Notes 4	1.39
”	”	”	1	Other income	20,198	”	0.99
1	Ruentex Industries Ltd. (Shanghai)	Ruentex Industries Ltd.	2	Sales revenue	92,882	”	4.53
”	”	”	2	Accounts receivable	10,836	”	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 September 30, 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		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	Shares	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	\$ 24,339,049	\$ 13,347,985	\$ 3,430,540	The investee company accounted for under the equity method (Note 1)
Ruentex Industries Ltd.	Nan Shan Life Insurance Co., Ltd.	Taiwan	Personal insurances, including life insurance, health insurance, damage insurance or annuity.	436,800	436,800	31,359,078	0.21	805,565	37,157,741	79,257	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	9,257	( 3,995)	( 1,598)	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	292,547	495	715	Subsidiary of the Company
Ruentex Industries Ltd.	Kompass Global Sourcing Solutions Ltd.	Taiwan	International Trade	173,800	173,800	5,705,969	100.00	62,669	3,724	3,724	Subsidiary of the Company (Note 5)
Ruentex Industries Ltd.	Gin-Hong Investment Co., Ltd.	Taiwan	General Investment	170,500	170,500	20,696,358	55.00	55,659	91,162	( 177)	Subsidiary of the Company (Note 4)
Ruentex Industries Ltd.	Ruen Chen Investment Holdings Ltd.	Taiwan	General Investment	17,884,800	17,884,800	7,573,095,000	23.00	67,834,205	33,229,828	7,642,860	The investee company accounted for under the equity method (Note 2) (Note 6)
Ruentex Industries Ltd.	Full Shine International Holdings Ltd.	British Virgin Islands (BVI)	General Investment	536,074	536,074	19,500,000	100.00	1,834,109	48,269	48,269	Subsidiary of the Company
Ruentex Industries Ltd.	Concord Greater China Limited.	British Virgin Islands (BVI)	General Investment	672,764	672,764	17,580,000	42.42	1,154,059	49,514	20,982	Subsidiary of the Company (Note 3)
Ruentex Industries Ltd.	Gold Leaf International Group Co., Ltd.	British Virgin Islands (BVI)	International Trade	17,223	17,223	500,000	100.00	9,456	98	98	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	34,513	172	172	Subsidiary of the Company
Ruentex Industries Ltd.	New Zone International Limited.	Samoaan Islands	General Investment	438,416	438,416	13,792,000	100.00	109,035	601	601	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	880,909	41,129	20,176	Sub-subsidiary of the Company
Sinopac Global Investment Ltd.	Concord Greater China Limited.	British Virgin Islands (BVI)	General Investment	807,135	807,135	6,452,000	15.57	423,549	49,514	7,701	Subsidiary of the Company (Note 3)

Note 1: The provision of 81,180 thousand shares, a total of NT\$2,702,978 thousand was pledged to financial institutions for financing loans.

Note 2: The provision of 714,163 thousand shares, a total of NT\$6,396,948 thousand was pledged to financial institutions for financing loans.

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

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

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

Note 6: The record date of capital increase from earnings of Ruen Chen Investment Holdings Ltd. was August 20, 2024.

Ruentex Industries Ltd. and Subsidiaries  
Information of investments in mainland China-Basic information  
January 1 to September 30, 2024

Attached Table 4

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

Name of the invested companies in China		Main business items	Paid-in capital	Investment method	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	Remit back	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	Remark
Ruentex Industries Ltd. (Shanghai)		Production and sales of garment products	\$ 563,370	Note 1	\$ 563,370	\$ -	\$ -	\$ 563,370	\$ 877	100.00	\$ 877	\$ 138,489	\$ -	Note 2(2)3
			(USD 17,800)		(USD 17,800)			(USD 17,800)						, Note 4

Note 1: The investment method is the subsidiary directly entering into China to make an investment.  
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
\$ 1,983,284	\$ 2,049,971	\$ 65,672,529
(USD 59,645 thousand)	(USD 64,770 thousand)	
(EUR 2,700,000)		

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  
September 30, 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