



**RUENTEX**

**Stock Code: 2597**

**潤弘精密工程事業股份有限公司**

**Ruentex Engineering & Construction Co., Ltd.**

# **Handbook for the 2024 Annual Meeting of Shareholders**

**M E E T I N G   T I M E :   0 5   1 6 , 2 0 2 4**

## Table of Contents

	<u>Page</u>
	<u>No.</u>
I. Meeting Procedure .....	01
II. Meeting Agenda .....	02
1. Reports .....	03
2. Ratifications .....	04
3. Discussion .....	07
4. Extempore motions .....	09
III. Attachments	
1. Business Report.....	10
2. Audit Committee’s Review Report.....	18
3. Accountant’s Audit Report and Financial Statements.....	19
4. Table of Comparison of Clauses Before and After Amendment of the “Articles of Incorporation” .....	54
IV. Appendixes	
1. The Articles of Incorporation .....	58
2. Rules of Procedure for Shareholder Meetings.....	65
3. Shares Held by the Directors.....	74

Ruentex Engineering & Construction Co., Ltd.  
Procedure of the 2024 Shareholders' Meeting

1. Call to order
2. Chairperson's statement
3. Reports
4. Ratifications
5. Discussion
6. Motion
7. Adjournment

# Ruentex Engineering & Construction Co., Ltd.

## 2024 Annual Meeting of Shareholders

Method of meeting: Hybrid shareholders' meeting

Time: May 16, 2024 (Thursday) at 9:00am

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

### **1. Call to order**

### **2. Chairperson's statement**

### **3. Reports**

(I) 2023 Business Report

(II) Review by the Audit Committee of the report on the financial statements for 2023

(III) Report on distribution of 2023 employees' remuneration

(IV) Other reporting matters

### **4. Ratifications:**

(I) 2023 Business Report and Financial Statements

(II) Earnings distribution proposal for 2023

### **5. Discussion:**

(I) In line with the distribution of the profit for 2023, the Company proposes a capital increase from the profit for issuance of new shares.

(II) Amendment to the "Articles of Incorporation".

### **6. Motion**

### **7. Adjournment**

## [Reports]

1. 2023 business report, please kindly review.

Description: For 2023 Business Report, please refer to Attachment I on pages 10-17 of this Handbook.

2. Review by the Audit Committee of the report on the financial statements for 2023

Description: Please refer to page 18 (Attachment 2) of this handbook for the Audit Committee's Review Report.

3. Report on distribution of the remuneration for employees in 2023, please kindly review.

Description: According to Article 26 of the Articles of Incorporation, the Company provided 1% of the balance for employee remuneration, totaling NT\$23,534,675. The above amount has been approved to be fully paid out in cash by resolution of the Board of Directors.

The amount resolved is the same as the estimated amount.

4. Other reporting matters:

(I) Report on distribution of the endorsements/guarantees provided during 2023, please kindly review.

The endorsements/guarantees provided by the Company as of December 31, 2023 are as follows:

Unit: NT\$ thousands

Recipient of endorsement/guarantee		Maximum balance of endorsements/guarantees for the current period	Balance of endorsements/guarantees at the end of the period	Note
Name of Counterparty	Relationship with the Company			
Ruentex Materials Co., Ltd.	A company with which the Company does business	88,368	88,368	Guarantee for a leasing contract
Total			88,368	

Note: The limit of the endorsements/guarantees by the Company to a single entity is NT\$924,750 thousand.

The maximum amount of the endorsements/guarantees by the Company is NT\$1,849,500 thousand.

# **[Ratifications]**

## Proposal 1

Proposed by the board of directors

Summary: The 2023 Business Report and financial statements are submitted for ratification.

Description: 1. The Company's 2023 business report and financial statements have been prepared and sealed by the chairman, manager and accounting officer. Please refer to Attachment I on pages 10-17 and Attachment 3 on pages 19-53 of this handbook.

2. The aforementioned financial statements were audited by Chin-lien Huang and Shu-chiung Chang, accountants of PwC Taiwan, and an audit report with unqualified opinions was issued by them.
3. The financial statements were reviewed by the Audit Committee, with a review report issued thereby.
4. This proposal is submitted for ratification.

Resolution:

## Proposal 2

Proposed by the board of directors

Summary: Distribution of earnings for 2023 is submitted for recognition.

Description: 1. The proposed distribution of the surplus of the company of 2023 based on the Company Act and the Articles of Incorporation of the Company are as follows:

Ruentex Engineering & Construction Co., Ltd.

Proposed distribution of profit  
2023

Unit: New Taiwan Dollars

Item	Amount	Remark
1. Undistributed earnings in the beginning of the year	20,804,046	
2. Net income after tax for this period	1,902,201,370	
Add: Retained earnings for 2023 adjusted due to defined benefit actuarial gain	8,631,571	
Less: Legal reserve set aside (10%)	(191,083,295)	
3. Distributable profit	1,740,553,692	
Distributable items:		
Common stock dividend (stock dividend: NT\$4.0 per share)	(739,800,000)	
Common stock dividend (cash dividend: NT\$5.4 per share)	(998,730,000)	
4. Unappropriated retained earnings	2,023,692	
Note: It was distributed as per the Company's Articles of Incorporation and resolution by the shareholders' meeting		

Responsible Person: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

2. According to Letter Tai-Cai-Shui No. 871941343, dated April 30, 1998, from the Ministry of Finance, profits distributed must be individually recognized. For the profit of the current year, the distributable profit in 2023 was distributed first.

3. In accordance with IAS 19 Employee Benefits, the actuarial gains on the defined benefit plan were adjusted, leading to other comprehensive income of NT\$8,631,571 being added to the retained earnings for 2023.
4. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Chairman be authorized to resolve the ex-rights date and other relevant issues.
5. This proposal is submitted for ratification.

Resolution:



## **[Discussion]**

### Proposal 1

Proposed by the board of directors

Summary: In line with the distribution of the profit for 2023, the Company proposes a capital increase from the profit for issuance of new shares.

Description: I. The current paid-up capital of the Company is NT\$1,849,500,000, and the total number of shares issued is 184,950,000. In line with the distribution of the profit for 2023, it is proposed to issue 73,980,000 shares or a total of NT\$739,800,000 from the capital increase. The paid-up capital after the capital increase is NT\$2,589,300,000.

1. Source of funds: It is proposed to set aside NT\$739,800,000 from the distributable profit in 2023 as capital to issue 73,980,000 new common shares, with the face value of each share being NT\$10.
2. Purpose of funds: To increase capital and strengthen the financial structure.
3. Issuance conditions: (1) The rights and obligations associated with the new shares issued from the capital increase are the same as those of the outstanding common shares. (2) Calculation will be based on the percentage of shares held by each shareholder listed in the shareholder register on the ex-rights record date. Additionally, 400 bonus shares will be distributed per 1,000 shares. In the case of fractional shares, each of which is less than one share, among the new shares distributed to any shareholder, the shareholder may combine such shares at the stock transfer division of the Company within 5 days following the book closure date. All fractional shares which have failed to be combined within that period or into one share will be distributed in cash based on the face value per share (rounded down to the nearest whole dollar). With

respect to the accumulated fractional shares, it is proposed that the Chairman be authorized to contact certain persons to purchase such shares at the face value per share. (3) In the event of any change in the shareholder dividend rate due to the number of the outstanding shares of the Company being affected by share buyback or any other factor, calculation shall be based on the actual number of outstanding shares on the share distribution record date. It is proposed that the shareholders' meeting authorize the Board of Directors to separately decide on matters related to such a change.

II. After the proposal is adopted by the shareholders' meeting and submitted to the competent authority for approval, the Board of Directors will be authorized to determine the ex-rights record date and other related matters. In the event of any amendment due to regulatory change or required by the competent authority, it is proposed that the shareholders' meeting fully authorize the Board of Directors to address the matter.

III. This proposal is submitted for discussion.

Resolution:

## Proposal 2

Proposed by the board of directors

Summary: Amendment to the Articles of Incorporation. Please proceed to discuss.

- Description:
1. With reference to the proviso to Article 237, paragraph 1, and the proviso to Article 228-1, paragraph 3 of the Company Act, the upper limit on the accumulation of the legal reserve is revised from the total capital of the Company to the paid-in capital. See also The Financial Supervisory Commission announced the sound dividend policy and related measures, and added the Company's dividend policy to improve information transparency and protect shareholders' interests.
  2. For the comparison table of the amendments to the "Articles of Incorporation" of the Company, please refer to Attachment 4 on pages 54 - 57 of this Handbook.
  3. This proposal is submitted for discussion.

Resolution:

**[Extraordinary Motion]**

**"Adjournment"**

[Attachment 1]

## **Ruentex Engineering & Construction Co., Ltd.**

### **Business Report**

In 2023, due to factors such as high interest rates, high inflation, and China's post-pandemic economic performance was not as good as expected, global demand for end products will be weak, resulting in a slowdown in manufacturing activities in various countries. In addition, the expansion of the US-China chip ban, the Russo-Ukrainian war and the conflict in Israel has not stopped, and has had an impact on global economic development and social stability. Although domestic private consumption is stable, the weak export of goods and the sluggish enterprises' willingness to invest have caused Taiwan's economic growth to be less than expected.

In 2023, the Company was in the inspection and acceptance stage due to several large-scale construction projects undertaken, and the new business was starting to be executed, resulting in a decrease in revenue compared to the previous year. Therefore, the net profit attributable to the owners of the parent company in 2023 was NT\$1.902 billion, lower than that of 2022 at NT\$2.061 billion, a decrease of 7.68%.

Looking forward to 2024, although global inflation is slowing down and the interest rate hike cycle by central banks is gradually coming to an end, the global economic recovery will still falter. However, the government continues to expand the strength of public construction, which shows that the growth momentum of the civil engineering market is still strong, and the capital expenditure of factories is also increasing. In addition, semiconductor manufacturers continue to invest in advanced processes, supported by green energy and carbon reduction equipment, and the investment situation is promising. Therefore, the Company will maintain the operating target for positive growth, widen the quality gap with the industry peers, continue to strengthen professional training, improve the quality of engineers, develop new engineering technologies and technological machinery, grasp relevant resources, strengthen the Company's capability, and create profits to share with shareholders.

## **I. Business Status:**

Major projects in 2023 Include: Please refer to the details of the following cases.

- (1) Completion sites: 7 construction projects including the new construction of Yungkuan Taichung Port Plant.
- (2) On-going Construction Sites: A total of 29 construction projects, including T Project - Packaging and Testing Plant C in the Southern Taiwan Science Park.
- (3) Newly contracted construction sites: 9 construction projects including the new TransGlobe Life Insurance's headquarters building project.

## **II. Financial Performance:**

The Company's 2023 consolidated operating revenue was NT\$22.5253 billion, a decrease of 8.46 % from NT\$24.58307 billion in the previous year; the 2023 unconsolidated subsidiaries' revenue was NT\$17.15898 billion, down by 16.38 % from NT\$20.52095 billion from the previous year; net profit attributable to owners of the parent was NT\$1.9022 billion, down 7.68% from NT\$2.06053 billion of the previous year. Highlights of the operating results are stated as follows:

(I) Outcomes of the implementation of the business plan:

Unit: NTD in Hundred Millions

Project \ Year	2023		2022		Increased (Decreased) Amount	
	Amount	%	Amount	%	Difference	Proportion of Increase (Decrease) (%)
Operation income	225.03	100.00	245.83	100.00	-20.80	-8.46
Gross Profit	34.63	15.38	33.88	13.78	0.75	2.19
Operating Profit	24.54	10.90	24.40	9.92	0.14	0.59
Income (Loss) Before Tax	25.10	11.15	26.27	10.68	-1.17	-4.45
Total Consolidated Income (Loss)	20.38	9.05	21.28	8.65	-0.90	-4.21
Net Income Attributable to Shareholders of the Parent	19.02	8.45	20.61	8.38	-1.59	-7.68
Equity per Share (NT\$)	10.28	-	11.14	-	-0.86	-7.71

(II) Budget Achievement:

In 2023, the Company executed its projects strictly in accordance with the approved budget. The overall gross margin increased due to the remaining balance of production and construction costs in some cases. Operating expenses for the year are consistent with the forecast.

(III) Portability Analysis:

Item		2023	2022
Financial Structure (%)	Liabilities to Assets Ratio (%)	63.21	63.84
	Long-term Capital to PP&E Ratio (%)	338.37	293.32
Solvency (%)	Current Ratio (%)	138.07	108.56
	Quick ratio (%)	66.75	48.62
Profitability (%)	Return on Assets (%)	9.62	10.97
	Return on Equity (%)	25.23	26.12
	Profit Margin (%)	9.05	8.65

### III. Main Business Development Strategies

Aspect	Key Points of Strategy
Establish key competitiveness	1. Cost control.
	2. Talent utilization.
	3. Technology upgrade.
	4. Self-owned construction team.
Strengthening the advantages of Synergy	1. Continue R&D and innovation.
	2. Advanced pre-casting method.
	3. Make full use of the advantages of turnkey contract (consultation + construction).
	4. Strengthen software application (design, synchronous operation).
	5. KM (Knowledge Base).
First choice for high-tech manufacturers	1. Contracted for the entire FAB factory of TSMC.
	2. High-tech factory service SOP.

### IV. Research and Development

The R&D team of the Company will fully promote the "ESG" work in line with the government's policy, adjust the carbon footprint and carbon content of the supply chain, customers, products, and adopt new processing methods and technologies. Accommodating the worldwide trends, the Company puts forth maximum possible efforts to achieve energy conservation and carbon reduction targets in concert with continued efforts in research and development improvement, including notably rational construction, intellectually oriented production, and information-based management and the like to lay a new generation foundation in competition for the Company to, in turn, lead to creation of an ambiance of innovative research and development in the industry further into industrial upgrade. Through concerted endeavors, it will jointly strive toward more comfortable, safer, environmentally friendly, sustainable, and energy-conservation oriented living spaces.



## **V. Future Outlook**

This coming year, the Company will continue to uphold the integrity and stability of its business operations, actively carve out a niche, strengthen the contracting of technology plant projects and precast projects to improve operating profit, and continue promoting standardization, modularization, and application of industrial engineering technology to reduce costs. The Company also aims to combine government resources to innovate and develop, apply its special engineering technology and various precast patents to relevant construction projects, so that we can combine ESG to become a leading enterprise in environmental protection, energy saving, and sustainable construction, expand the Company's energy and market share, and create value and profit for shareholders, employees and the society, in order to fulfill the social responsibility of benefiting society and secure people's livelihood.

Responsible Person: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

**[Business Report - Appendix]**

(I) Completed Construction Sites:

Item	Project
1	New construction of Yungkuan Taichung Port Plant
2	F18P8 precast project
3	Phison Electronics's phase 3 restaurant, plant use license change, and interior design project
4	UHPC energy storage cabinet manufacturing and assembly
5	Electricity and air conditioning construction for the Microscope Room of National Taiwan University
6	Ruentex Development Banqiao Minsheng Road new construction
7	Ruentex Development Jiangcui A new construction

(II) Ongoing Construction Sites:

Item	Project
1	New construction of T Project Nanke Assembly and Test Plant C
2	Guangfu South Road PC precast project
3	Spiritist Center Phase 3 new construction
4	Project T AP6A precast project
5	Cheng Chueh Temple Xuanzang Religious Culture Park construction project
6	Taipei City Wanhua Huajiang Section 2 social housing construction turnkey project
7	Dharma Drum Mountain Nantiantai Ziyun Temple expansion project
8	Molie Quantum Energy Corporation Kaohsiung lithium battery plant new construction
9	MMT P3 PARKING TOWER
10	Yang Er Sixin Section - PC precast project
11	TCP2 CSA civil engineering project
12	GBC Zhubei Plant civil engineering project
13	Phison Electronics's innovation building construction project
14	MS TPE03 new construction project
15	AP6B-L20-LRF precast project
16	Yang Yi Sixin Section - PC precast project
17	The new construction project of onshore substation CHW2204 of the Greater Changhua Offshore Wind Power Project
18	RDE new turnkey project
19	ATP Electronics's plant construction (in Taiwan Ciaotou Science Park) project
20	Sanchong Jie 6 main project
21	Ruentex Development Lihe Section new construction

Item	Project
22	Ruentex Development Wolong Street project
23	Ruentex Development Yangbei new construction
24	Ruentex Development Wuguwang B new construction
25	Ruentex Development Wuguwang A new construction
26	Ruentex Construction Qingtian Street project
27	Ruentex Innovative Development new construction of Yucheng Section
28	Ruentex Development Nanhai Section demolition project
29	Taipei Veterans General Hospital's precast dormitory project

(III) Newly Contracted Construction Sites:

Item	Project
1	TransGlobe Life Insurance's headquarters building project
2	F22P1 FAB shell package precast project
3	F20P1 FAB shell package-A1B1 precast project
4	F20P1 FAB shell package-A2B2 precast project
5	F18P8O office building precast project
6	Lite-On Kaohsiung Manufacturing Center Phase II project
7	New construction of Fubon Insurance Building
8	Puxin Anju Social Housing Turnkey Project in Yangmei District, Taoyuan City
9	Ruentex Development Nangang Star project new construction project

[Attachment 2]

Ruentex Engineering & Construction Co., Ltd.  
Audit Report by the Auditing Commission

The Board of Directors duly worked out the business reports, financial statements and distribution of earnings for 2023. Among them, the financial statements had been duly audited by Certified Public Accountants Huang Chin-Lien and Chang Shu-Chiung of “PricewaterhouseCoopers Taiwan” in full who, in turn, duly issued the Audit Report. After reviewing such documents, this Audit Committee found no nonconformity and thus presented this Report to the Annual General Meeting of Shareholder for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please proceed to review it.

Attn.:

The regular meeting of shareholders of the Company, 2024

Audit Committee’s Convener: Shen, Xiao-Ling

March 13, 2024

# [Attachment 3]

## Independent Auditors' Report

(2024) Cai-Shen-Bao-Zi No. 23004854

Ruentex Engineering & Construction Co., Ltd.:

### **Audit Opinions**

We have audited the consolidated balance sheets of Ruentex Engineering & Construction Co., Ltd. and its subsidiaries (hereinafter referred to as “the Group”) for December 31, 2023 and December 31, 2022, the consolidated comprehensive income statements, equity statements and cash flow statements of Ruentex Group for the period from Jan. 1 to December 31, 2023 and the period from January 1 to December 31, 2022, and the notes to the consolidated financial report (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended is in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued by the Financial Supervisory Commission.

### **Basis of Audit Opinions**

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the section of “Responsibilities of the Accountants for the Audit of Consolidated Financial Statements” in our report. We are independent of the Ruentex Engineering & Construction Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that sufficient and appropriate audit evidences have been obtained as a basis to express opinion of the audit.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The most significant key audit matters in our audit of Ruentex Engineering & Construction Group's consolidated financial statements for the year ended 2023 are as follows:

### **Assessment on Recognition of Construction Contract Income - Construction Completion Progress**

#### Description of Key Audit Matters

For the year of 2023, Ruentex Engineering & Construction Group's construction contract revenue was NT\$18,668,335 thousand, representing 82.96% of consolidated operating revenue. Please see Note 4(25) for accounting policies on revenue recognition, Note 5(2) for critical accounting estimates and assumptions and Note 6(20) for details of significant accounts.

The Ruentex Engineering & Construction Group of construction contract income was calculated based on the percentage of completion method and according to the completion progress during the construction contract period. The construction progress was calculated based on the percentage of the cost incurred for each construction contract up to the end of the financial report period over the expected total cost for such construction contract. The aforementioned estimation of the expected total cost was provided by the Ruentex Engineering & Construction Group based on its estimation on various construction costs required for contracting works and material/labor expenses etc. according to the quantitative units of building structural drawings etc. of owners along with the fluctuation of the Current market price at that time.

Since the estimation of construction total cost can affect the recognition of construction completion progress and the construction contract income, and since the construction total cost items are complicated and often involving high degree of estimation, such that it can cause major uncertainty, consequently, we've considered listing the assessment on the construction

completion progress used in the recognition of construction contract income as one of the key matters in this year’s audit.

Corresponding Audit Procedures

We summarize the audit procedures executed for the aforementioned key audit matters related to construction completion progress as follows:

1. Based on our understanding of the business operation and nature of industry of Ruentex Engineering & Construction Group, we assessed the internal operation procedures used in the estimation of construction total cost, including the quantitative unit of building structural drawings of owners in order to determine the procedures for each construction cost (contracting works and material/labor expense) and the consistency of the estimation method.
2. We assessed and tested the internal controls that would affect the recognition of construction contract revenue based on stage of completion, including verifying the evidence of additional or less work and significant constructions.
3. We conducted on-site observation and interviews at major construction sites still in progress at the end of the sampling period to confirm that the progress of such projects was proceeding as scheduled.
4. We obtained details of construction profit or loss and performed substantive procedures, including randomly checking the incurred cost of current period with the appropriate evidence, and additional or less work with the supporting documents, and recalculated the stage of completion to ensure a reasonable recognition of construction contract revenue.

## **Accuracy of Time for Recognition of Construction Cost**

### Description of Key Audit Matters

Please see Note 4(25) for accounting policies on the recognition of construction costs.

The construction cost of each construction project of Ruentex Engineering & Construction Group already incurred at the end of financial report period was estimated and Ruentex Engineering & Construction Group according to the construction progress and the acceptance result. Such process of construction cost Ruentex Engineering & Construction Group often involves whether each project construction personnel performs the acceptance and pricing operation according to the actual construction result, and difference in the time for Ruentex Engineering & Construction Group the construction cost due to failure to perform such works properly can have significant impact on the presentation of financial statements. Consequently, during the Ruentex Engineering & Construction Group of construction cost, we considered and listed the accuracy of time for Ruentex Engineering & Construction Group of construction cost as one of the key audit matters.

### Corresponding Audit Procedures

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

1. We conducted understanding and tested on the process adopted by the management in the recognition of construction cost to verify that it had been performed according to the internal control operation of the Company, including that the construction personnel had performed acceptance according to the construction result and had submitted to the accounting department to perform account entry after the confirmation of the responsible supervisors.
2. We performed the cut-off test on the construction cost incurred for a certain period before and after the end of the financial report period, including the verifying the acceptance record, verifying the accuracy of the calculation of construction pricing, confirming that the construction cost incurred had been recorded at the appropriate period.



## **Other matters - Unconsolidated Financial Report**

We have audited and expressed an unqualified opinion on the parent only financial statements of Ruentex Engineering & Construction Co., Ltd. as of and for the years ended December 31, 2023 and 2022.

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

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

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

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

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

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

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

1. We identify and assess the risks of material misstatement of consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. We evaluate the overall presentation, structure and content of the consolidated financial statements, including the related disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. We obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for directing, overseeing and executing audit of the Group, and forming the audit opinion for the Group.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's consolidated financial statements of 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Chin-lien Huang

CPA

Shu-chiung Chang

Financial Supervisory Commission

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No. No. 1100348083

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

March 13, 2024

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2023 and 2022

Unit: NT\$ thousands

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
<b>Current Assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 912,362	4	\$ 2,380,096	11
1136	Financial assets measured by amortized cost - current	6(6)	-	-	75,000	-
1140	Contract asset - current	6(20) and 7	4,920,664	22	5,581,710	25
1150	Net bills receivable	6(2)	1,003,702	5	575,894	3
1160	Bills receivable - related parties - net	6(2) and 7	55,557	-	51	-
1170	Net Accounts Receivable	6(2)	2,368,648	11	1,701,534	8
1180	Accounts receivable - related parties - net	6(2) and 7	749,036	3	74,504	-
1200	Other receivables		5,275	-	1,737	-
1210	Other Receivables - related party	7	9,519	-	9,038	-
1220	Current tax assets		87	-	6,129	-
130X	Inventories	6(3)	754,319	3	719,608	3
1410	Prepayments	6(4)	384,499	2	404,108	2
1470	Other Current Assets	6(1) and 8	568,561	3	523,974	2
11XX	<b>Total current assets</b>		<u>11,732,229</u>	<u>53</u>	<u>12,053,383</u>	<u>54</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non- current	6(5) and 7	4,334,599	20	4,474,311	20
1535	Amortized cost financial Assets - non-Current	6(6)	500,000	2	500,000	2
1600	Property, plant, and equipment	6(7), 7 and 8	3,979,515	18	3,801,686	17
1755	Right-of-use assets	6(8) and 7	959,226	4	978,475	4
1780	Intangible Assets	6(9)	206,088	1	208,054	1
1840	Deferred tax Assets	6(28)	125,871	1	127,449	1
1900	Other non-current Assets	6(1) and 8	125,560	1	194,952	1
15XX	<b>Total non-current assets</b>		<u>10,230,859</u>	<u>47</u>	<u>10,284,927</u>	<u>46</u>
1XXX	<b>Total Assets</b>		<u>\$ 21,963,088</u>	<u>100</u>	<u>\$ 22,338,310</u>	<u>100</u>

(Continued)

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2023 and 2022

Unit: NT\$ thousands

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(10) and 8	\$ 750,000	3	\$ 3,239,000	15
2110	Short-term bills payable	6(11)	369,932	2	884,342	4
2130	Contract liabilities - current	6(20) and 7	2,204,072	10	1,012,514	5
2150	Notes payable		818,024	4	996,934	4
2170	Accounts Payable		2,829,422	13	2,919,943	13
2200	Other payables	6(12)	863,069	4	784,201	4
2230	Income tax liabilities of current period		473,310	2	494,205	2
2280	Lease liabilities - current	6(8) and 7	102,929	1	95,551	-
2320	Long-term liabilities due within one year or one operating cycle	6(13) and 8	75,000	-	750,000	3
2399	Other current liabilities - other		11,520	-	10,332	-
21XX	<b>Total Current Liabilities</b>		<u>8,497,278</u>	<u>39</u>	<u>11,187,022</u>	<u>50</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(13) and 8	4,225,000	19	1,800,000	8
2570	Deferred income tax liabilities	6(28)	17,375	-	17,577	-
2580	Lease liabilities - non-current	6(8) and 7	869,425	4	890,139	4
2600	Other non-Current liabilities	6(14)	275,538	1	367,126	2
25XX	<b>Total Non-Current Liabilities</b>		<u>5,387,338</u>	<u>24</u>	<u>3,074,842</u>	<u>14</u>
2XXX	<b>Total Liabilities</b>		<u>13,884,616</u>	<u>63</u>	<u>14,261,864</u>	<u>64</u>
<b>Equity</b>						
<b>Equity attributed to owners of the parent</b>						
Capital						
3110	Share capital	6(16)	1,849,500	9	1,849,500	8
Capital surplus		6(17)				
3200	Capital surplus		779,399	3	779,348	3
Retained earnings		6(18)				
3310	Legal reserve		742,207	4	535,418	3
3350	Undistributed earnings		1,931,635	9	2,077,092	9
Other equities		6(19)				
3400	Other equities		1,166,513	5	1,291,123	6
31XX	<b>Total equity attributable to owners of parent</b>		<u>6,469,254</u>	<u>30</u>	<u>6,532,481</u>	<u>29</u>
36XX	<b>Non-controlling Interest</b>	4(3)	<u>1,609,218</u>	<u>7</u>	<u>1,543,965</u>	<u>7</u>
3XXX	<b>Total Equity</b>		<u>8,078,472</u>	<u>37</u>	<u>8,076,446</u>	<u>36</u>
Significant Contingent Liabilities and Unrecognized Commitments		9				
Significant subsequent events		11				
3X2X	<b>Total Liabilities and Equity</b>		<u>\$ 21,963,088</u>	<u>100</u>	<u>\$ 22,338,310</u>	<u>100</u>

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

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries  
Consolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022

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

	Item	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating Revenue	6(20) and 7	\$ 22,502,526	100	\$ 24,583,067	100
5000	Operation cost	6(3)(9) (21) (26) (27) and 7	( 19,039,748)	( 85)	( 21,194,815)	( 86)
5900	Gross profit		<u>3,462,778</u>	<u>15</u>	<u>3,388,252</u>	<u>14</u>
	Operating Expenses	6(9)(26) (27) and 7				
6100	Selling expenses		( 173,455)	( 1)	( 137,409)	( 1)
6200	General & administrative expenses		( 742,669)	( 3)	( 739,557)	( 3)
6300	R&D expenses		( 88,842)	-	( 71,846)	-
6450	Expected credit impairment (losses) gains	12(2)	( 3,688)	-	100	-
6000	Total Operating Expenses		( 1,008,654)	( 4)	( 948,712)	( 4)
6900	Operating Profit		<u>2,454,124</u>	<u>11</u>	<u>2,439,540</u>	<u>10</u>
	Non-operating Income and Expenses					
7100	Interest revenue	6(6)(22) and 7	29,340	-	24,732	-
7010	Other income	6(23)	147,667	1	209,926	1
7020	Other gains and losses	6(8)(24)	( 3,317)	-	19,603	-
7050	Financial Costs	6(8)(25) and 7	( 118,167)	( 1)	( 67,126)	-
7000	Total non-operating income and expenses		<u>55,523</u>	<u>-</u>	<u>187,135</u>	<u>1</u>
7900	<b>Net profit before tax</b>		<u>2,509,647</u>	<u>11</u>	<u>2,626,675</u>	<u>11</u>
7950	Income tax expense	6(28)	( 471,622)	( 2)	( 498,971)	( 2)
8200	<b>Net income of current period</b>		<u>\$ 2,038,025</u>	<u>9</u>	<u>\$ 2,127,704</u>	<u>9</u>
	<b>Other comprehensive income (net)</b>					
	<b>Items not to be reclassified into profit or loss</b>					
8311	Remeasurements of defined benefit plans	6(15)	\$ 10,256	-	\$ 9,986	-
8316	Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(5)	( 128,919)	-	( 607,875)	( 3)
8349	Income tax relating to non-reclassified items	6(28)	( 1,860)	-	( 3,444)	-
8310	Total of items not to be reclassified into profit or loss		( 120,523)	-	( 601,333)	( 3)
8500	<b>Total comprehensive income for this period</b>		<u>\$ 1,917,502</u>	<u>9</u>	<u>\$ 1,526,371</u>	<u>6</u>
	Profit attributable to:					
8610	Owners of the parent		\$ 1,902,201	8	\$ 2,060,529	9
8620	Non-controlling Interest		135,824	1	67,175	-
			<u>\$ 2,038,025</u>	<u>9</u>	<u>\$ 2,127,704</u>	<u>9</u>

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

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries  
Consolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022

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

Total comprehensive income (loss)							
attributable to:							
8710	Owners of the parent	\$	1,786,222	8	\$	1,514,659	6
8720	Non-controlling Interest		131,280	1		11,712	-
		\$	<u>1,917,502</u>	<u>9</u>	\$	<u>1,526,371</u>	<u>6</u>
Earnings per share							
				6(30)			
9750	Basic earnings per share	\$		10.28	\$		11.14
9850	Diluted earnings per share	\$		<u>10.27</u>	\$		<u>11.13</u>

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

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo



Ruentex Engineering & Construction Co., Ltd. and Subsidiaries  
Consolidated statement of changes in Equity  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

Equity attributed to owners of the parent												
Notes	Capital surplus					Retained earnings			Unrealized financial assets at fair value through other comprehensive income acquired	Total	Non-controlling Interest	Total Equity
	Share capital	Issued at premium	Difference between the equity price and the book value of acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Capital surplus - others	Legal reserve	Undistributed earnings	Income (Loss)				
<u>2022</u>												
	Balance on January 1, 2022	\$ 1,849,500	\$ 520,455	\$ 18,858	\$ 234,133	\$ -	\$ 350,043	\$ 1,859,130	\$ 1,843,966	\$ 6,676,085	\$ 1,536,152	\$ 8,212,237
	Net income of current period	-	-	-	-	-	-	2,060,529	-	2,060,529	67,175	2,127,704
	Other comprehensive income 6(19)	-	-	-	-	-	-	7,358	( 553,228 )	( 545,870 )	( 55,463 )	( 601,333 )
	Total comprehensive income for this period	-	-	-	-	-	-	2,067,887	( 553,228 )	1,514,659	11,712	1,526,371
	Appropriation and distribution of the earnings for 2021 6(18)											
	Legal reserve	-	-	-	-	-	185,375	( 185,375 )	-	-	-	-
	Cash dividends	-	-	-	-	-	-	( 1,664,550 )	-	( 1,664,550 )	-	( 1,664,550 )
	Disposal of equity in subsidiaries (without losing control) 6(29)	-	-	5,902	-	-	-	-	385	6,287	23,623	29,910
	Cash dividends for non-controlling interests	-	-	-	-	-	-	-	-	-	( 27,522 )	( 27,522 )
	Balance on December 31, 2022	\$ 1,849,500	\$ 520,455	\$ 24,760	\$ 234,133	\$ -	\$ 535,418	\$ 2,077,092	\$ 1,291,123	\$ 6,532,481	\$ 1,543,965	\$ 8,076,446
<u>January 1 to Decembe 31, 2023</u>												
	Balance on January 1, 2023	\$ 1,849,500	\$ 520,455	\$ 24,760	\$ 234,133	\$ -	\$ 535,418	\$ 2,077,092	\$ 1,291,123	\$ 6,532,481	\$ 1,543,965	\$ 8,076,446
	Net income of current period	-	-	-	-	-	-	1,902,201	-	1,902,201	135,824	2,038,025
	Other comprehensive income 6(19)	-	-	-	-	-	-	8,631	( 124,610 )	( 115,979 )	( 4,544 )	( 120,523 )
	Total comprehensive income for this period	-	-	-	-	-	-	1,910,832	( 124,610 )	1,786,222	131,280	1,917,502

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

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries  
Consolidated statement of changes in Equity  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

Equity attributed to owners of the parent												
Notes	Capital surplus					Retained earnings			Unrealized financial assets at fair value through other comprehensive income acquired Income (Loss)	Total	Non-controlling Interest	Total Equity
	Share capital	Issued at premium	Difference between the equity price and the book value of acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Capital surplus - others	Legal reserve	Undistributed earnings					
Appropriation and distribution of the earnings for 2022												
Legal reserve	-	-	-	-	-	206,789	( 206,789 )	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	( 1,849,500 )	-	( 1,849,500 )	-	-	( 1,849,500 )
Changes of other capital reserves:	-	-	-	-	51	-	-	-	51	-	-	51
Cash dividends for non- controlling interests	-	-	-	-	-	-	-	-	-	( 66,027 )	-	( 66,027 )
Balance on December 31, 2023	<u>\$ 1,849,500</u>	<u>\$ 520,455</u>	<u>\$ 24,760</u>	<u>\$ 234,133</u>	<u>\$ 51</u>	<u>\$ 742,207</u>	<u>\$ 1,931,635</u>	<u>\$ 1,166,513</u>	<u>\$ 6,469,254</u>	<u>\$ 1,609,218</u>	-	<u>\$ 8,078,472</u>

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

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries  
Consolidated Statement of Cash Flow  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2023	2022
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 2,509,647	\$ 2,626,675
Adjustments			
Income and expenses			
Expected credit impairment (losses) gains	6(26) and 12(2)	3,688	( 100 )
Depreciation expense	6(7)(8) (26)	411,710	365,456
Amortization and depreciation expenses	6(9)(26)	12,759	12,145
Gains on disposals of real estate, plant and equipment	6(24)	( 43 )	( 10,475 )
Gains on lease modifications	6(8)(24)	-	( 175 )
Dividend income	6(23)	( 122,213 )	( 184,983 )
Interest revenue	6(22)	( 29,340 )	( 24,732 )
Interest Cost	6(7)(8) (25)	118,167	67,126
Gains on write-off of accounts payable past due	6(23)	( 13,970 )	( 903 )
Other income		( 3,927 )	( 18,347 )
Prepaid equipment transferred to R&D expenses	6(31)	1,087	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contractual assets - Current		661,046	( 2,269,984 )
Notes receivable		( 427,808 )	601,076
Notes Receivable – related party		( 55,506 )	5,662
Accounts receivable		( 670,802 )	( 551,446 )
Accounts receivable - related party		( 674,532 )	203,647
Other receivables		( 3,929 )	( 175 )
Other receivables - related Party		( 481 )	29
Inventories		( 34,711 )	( 145,802 )
Prepayments		19,609	( 31,788 )
Other Current Assets		( 15,476 )	5,949
Net change in liabilities related to operating activities			
Contract liabilities - current		1,103,284	( 118,211 )
Notes payable		( 178,910 )	132,300
Accounts Payable		( 76,518 )	782,043
Other payables		103,053	51,437
Other Current liabilities		( 822 )	1,483
Other non-Current liabilities		4,344	25,957
Cash flow in from operating		2,639,406	1,523,864
Interest received		29,734	23,737
Dividends received		122,213	184,983
Interest paid		( 120,754 )	( 63,015 )
Income tax paid		( 493,002 )	( 354,302 )
Income tax refunded		6,042	2,685
Cash inflow from operating activities		2,183,639	1,317,952

(Continued)

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries  
Consolidated Statement of Cash Flow  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2023	2022
<u>Cash flows from investing activities</u>			
Acquisition of financial assets measured at amortized costs - current		(\$ 360)	(\$ 75,000)
Disposal of financial assets measured at amortized costs - current		75,360	-
Decrease (increase) in other financial assets		453	( 38,532)
Share capital returned from capital reduction in financial assets at fair value through other comprehensive income	6(5)	10,793	-
Acquisition of financial assets at fair value through other comprehensive income - non-current	6(31)	-	( 1,663,692)
Real estate, plant and equipment acquired	6(31)	( 450,907)	( 355,280)
Disposal the payment of real estate, plants, and equipment		109	17,144
Acquisition of intangible assets	6(9)	( 10,793)	( 31,111)
Increase in prepayments for equipment		( 15,682)	( 53,438)
Cash used in investing activities		( 391,027)	( 2,199,909)
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term borrowings	6(32)	( 2,489,000)	2,839,000
Increase (decrease) in short-term notes and bills payable	6(32)	( 515,000)	375,000
Amount of long-term borrowings	6(32)	3,000,000	530,000
Repayments of long-term borrowings	6(32)	( 1,250,000)	( 480,000)
Increase in guarantee deposits	6(32)	6,366	89,373
Principal elements of lease payments	6(8)(32)	( 97,236)	( 96,096)
Cash dividends paid	6(18)	( 1,849,500)	( 1,664,550)
Disposal of equity in subsidiaries (without losing control)	4(3)	-	29,910
Distribution of cash dividends by subsidiary		( 66,027)	( 27,522)
Changes of other capital reserves:		51	-
Net cash generated from (used in)		( 3,260,346)	1,595,115

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

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries  
Consolidated Statement of Cash Flow  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2023	2022
financing activities			
Increase (decrease) of cash and cash equivalents –			
current period		( 1,467,734 )	713,158
Cash and cash equivalents, beginning of period		2,380,096	1,666,938
Cash and cash equivalents, end of period		\$ 912,362	\$ 2,380,096

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

## Independent Auditors' Report

(2024) Cai-Shen-Bao-Zi No. 23004578

Ruentex Engineering & Construction Co., Ltd.:

### **Audit Opinions**

We have audited the accompanying financial statements of Ruentex Engineering & Construction Co., Ltd. (the Company), which comprise the unconsolidated balance sheets as of December 31, 2023 and 2022 and the unconsolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of the Ruentex Engineering & Construction as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis of Audit Opinions**

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Ruentex Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that sufficient and appropriate audit evidences have been obtained as a basis to express opinion of the audit.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the Company for the year ended December 31, 2023. These matters were addressed in the context of our audit opinion of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Ruentex Engineering & Construction's unconsolidated financial statements for the year ended December 31, 2023 are stated as follows:

## **Assessment on Recognition of Construction Contract Income - Construction Completion Progress**

### Description of Key Audit Matters

For the year of 2023, Ruentex Engineering & Construction Group's construction contract revenue was NT\$17,130,098 thousand, representing 99.83% of standalone operating revenue. Please see Note 4(26) for accounting policies on revenue recognition, Note 5(2) for critical accounting estimates and assumptions and Note 6(21) for details of significant accounts.

The Ruentex Engineering & Construction of construction contract income of Ruentex Engineering & Construction was calculated based on the percentage of completion method and according to the completion progress during the construction contract period. The construction progress was calculated based on the percentage of the cost incurred for each construction contract up to the end of the financial report period over the expected total cost for such construction contract. The aforementioned estimation of the expected total cost was provided by Ruentex Engineering & Construction based on its estimation on various construction costs required for contracting works and material/labor expenses etc. according to the quantitative units of building structural drawings etc. of owners along with the fluctuation of the Current market price at that time.

Since the estimation of construction total cost can affect the recognition of construction completion progress and the construction contract income, and since the construction total cost items are complicated and often involving high degree of estimation, such that it can cause major uncertainty, consequently, we've considered listing the assessment on the construction completion progress used in the recognition of construction contract income as one of the key matters in this year's audit.

### Corresponding Audit Procedures

We summarize the audit procedures executed for the aforementioned key audit matters related to construction completion progress as follows:

1. Based on our understanding of the business operation and nature of industry of Ruentex Engineering & Construction, we assessed the internal operation procedures used in the estimation of construction total cost, including the quantitative unit of building structural drawings of owners in order to determine the procedures for each construction cost (contracting works and material/labor expense) and the consistency of the estimation method.
2. We assessed and tested the internal controls that would affect the recognition of construction contract revenue based on stage of completion, including verifying the evidence of additional or less work and significant constructions.
3. We conducted on-site observation and interviews at major construction sites still in progress at the end of the sampling period to confirm that the progress of such projects was proceeding as scheduled.
4. We obtained details of construction profit or loss and performed substantive procedures, including randomly checking the incurred cost of current period with the appropriate evidence, and additional or less work with the supporting documents, and recalculated the stage of completion to ensure a reasonable recognition of construction contract revenue.



## **Accuracy of Time for Recognition of Construction Cost**

### Description of Key Audit Matters

Please see Note 4(26) for accounting policies on the recognition of construction costs.

The construction cost of each construction project of Ruentex Engineering & Construction already incurred at the end of financial report period was estimated and Ruentex Engineering & Construction according to the construction progress and the acceptance result. Such process of construction cost Ruentex Engineering & Construction often involves whether each project construction personnel performs the acceptance and pricing operation according to the actual construction result, and difference in the time for Ruentex Engineering & Construction the construction cost due to failure to perform such works properly can have significant impact on the presentation of financial statements. Consequently, during the Ruentex Engineering & Construction of construction cost, we considered and listed the accuracy of time for Ruentex Engineering & Construction of construction cost as one of the key audit matters.

### Corresponding Audit Procedures

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

1. We conducted understanding and tested on the process adopted by the management in the recognition of construction cost to verify that it had been performed according to the internal control operation of the Company, including that the construction personnel had performed acceptance according to the construction result and had submitted to the accounting department to perform account entry after the confirmation of the responsible supervisors.
2. We performed the cut-off test on the construction cost incurred for a certain period before and after the end of the financial report period, including the verifying the acceptance record, verifying the accuracy of the calculation of construction pricing, confirming that the construction cost incurred had been recorded at the appropriate period.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing Ruentex Engineering & Construction's financial reporting process.

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

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

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

1. Identify and assess the risk of material misstatement of the unconsolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidences in order to be used as the basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ruentex Engineering & Construction's internal control.
3. We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Ruentex Engineering & Construction's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Ruentex Engineering & Construction to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of Ruentex Engineering & Construction and provide opinions on its respective unconsolidated financial statements. We handle the guidance, supervision and execution of the audit on the Company and are responsible for preparing the audit opinion for the Company.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of the most significance in the audit of the unconsolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Chin-lien Huang

CPA

Shu-chiung Chang

Financial Supervisory Commission

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No. No. 1100348083

Former Financial Supervisory Commission, Executive Yuan

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No. No. 0990042602

March 13, 2024

Ruentex Engineering & Construction Co., Ltd.  
Unconsolidated Balance Sheet  
December 31, 2023 and 2022

Unit: NT\$ thousands

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
<b>Current Assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 604,607	4	\$ 1,719,412	11
1140	Contract asset - current	6(21) and 7	4,542,730	29	5,164,420	33
1150	Net bills receivable	6(2)	835,215	5	413,590	3
1160	Bills receivable - related parties - net	6(2) and 7	53,949	-	-	-
1170	Net Accounts Receivable	6(2)	1,499,091	10	1,023,446	6
1180	Accounts receivable - related parties - net	6(2) and 7	530,440	4	30,428	-
1200	Other receivables		985	-	1,150	-
1210	Other Receivables - related party	7	10,039	-	9,375	-
130X	Inventories	6(3)	21,501	-	16,290	-
1410	Prepayments	6(4) and 7	346,574	2	381,729	2
1470	Other Current Assets	6(1) and 8	551,595	4	495,233	3
11XX	<b>Total current assets</b>		<u>8,996,726</u>	<u>58</u>	<u>9,255,073</u>	<u>58</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non-current	6(5) and 7	3,696,400	24	3,829,288	24
1535	Amortized cost financial Assets - non-current	6(6)				
	Current		500,000	3	500,000	3
1550	Investments accounted for using equity method	6(7)	947,892	6	906,823	6
1600	Property, plant, and equipment	6(8)	360,657	2	308,291	2
1755	Right-of-use assets	6(9) and 7	927,173	6	934,801	6
1780	Intangible Assets	6(10)	33,261	-	32,190	-
1840	Deferred tax Assets	6(29)	93,531	1	95,254	1
1900	Other non-current Assets		9,044	-	44,132	-
15XX	<b>Total non-current assets</b>		<u>6,567,958</u>	<u>42</u>	<u>6,650,779</u>	<u>42</u>
1XXX	<b>Total Assets</b>		<u>\$ 15,564,684</u>	<u>100</u>	<u>\$ 15,905,852</u>	<u>100</u>

(Continued)

Ruentex Engineering & Construction Co., Ltd.  
Unconsolidated Balance Sheet  
December 31, 2023 and 2022

Unit: NT\$ thousands

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			A m o u n t	%	A m o u n t	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(11)	\$ -	-	\$ 2,289,000	14
2110	Short-term bills payable	6(12)	99,996	1	569,515	4
2130	Contract liabilities - current	6(21) and 7	2,153,720	14	979,793	6
2150	Notes payable		678,972	4	890,728	6
2160	Notes payable - related party	7	10,672	-	12,785	-
2170	Accounts Payable		2,085,119	13	2,274,730	14
2180	Accounts payable - related party	7	26,093	-	34,091	-
2200	Other payables	6(13)	618,820	4	566,746	4
2230	Income tax liabilities of current period		429,821	3	469,696	3
2280	Lease liabilities - current	6(9) and 7	82,668	1	76,971	-
2320	Long-term liabilities due within one year or one operating cycle	6(14)	75,000	-	-	-
2399	Other current liabilities - other		6,794	-	8,630	-
21XX	<b>Total Current Liabilities</b>		<u>6,267,675</u>	<u>40</u>	<u>8,172,685</u>	<u>51</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(14)	1,725,000	11	-	-
2570	Deferred income tax liabilities	6(29)	13,939	-	13,939	-
2580	Lease liabilities - non-current	6(9) and 7	851,334	5	860,450	6
2600	Other non-Current liabilities	6(15)(16)	237,482	2	326,297	2
25XX	<b>Total Non-Current Liabilities</b>		<u>2,827,755</u>	<u>18</u>	<u>1,200,686</u>	<u>8</u>
2XXX	<b>Total Liabilities</b>		<u>9,095,430</u>	<u>58</u>	<u>9,373,371</u>	<u>59</u>
<b>Equity</b>						
Capital		6(17)				
3110	Share capital		1,849,500	12	1,849,500	12
Capital surplus		6(18)				
3200	Capital surplus		779,399	5	779,348	5
Retained earnings		6(19)				
3310	Legal reserve		742,207	5	535,418	3
3350	Undistributed earnings		1,931,635	12	2,077,092	13
Other equities		6(20)				
3400	Other equities		1,166,513	8	1,291,123	8
3XXX	<b>Total Equity</b>		<u>6,469,254</u>	<u>42</u>	<u>6,532,481</u>	<u>41</u>
Significant contingent liabilities and		9				

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

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd.  
Unconsolidated Balance Sheet  
December 31, 2023 and 2022

Unit: NT\$ thousands

	unrecognized contractual commitments							
	Significant subsequent events	11						
3X2X	<b>Total Liabilities and Equity</b>		<u>\$</u>	<u>15,564,684</u>	<u>100</u>	<u>\$</u>	<u>15,905,852</u>	<u>100</u>

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

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd.  
Unconsolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022

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

Item	Notes	2023		2022	
		A m o u n t	%	A m o u n t	%
4000 Operating Revenue	6(21) and 7	\$ 17,158,980	100	\$ 20,520,949	100
5000 Operation cost	6(3)(10) (22) (27) and 7	( 14,317,652)	( 83)	( 17,555,188)	( 86)
5900 Gross profit		2,841,328	17	2,965,761	14
5920 Realized sale gains	6(7)	1,107	-	1,107	-
5950 Net gross operating profit		2,842,435	17	2,966,868	14
Operating Expenses	6(10)(27) and 7				
6100 Selling expenses		( 76,866)	( 1)	( 58,682)	-
6200 General & administrative expenses		( 569,469)	( 3)	( 576,442)	( 3)
6300 R&D expenses		( 34,608)	-	( 31,629)	-
6450 Expected credit impairment losses	6(27) and 12(2)	( 71)	-	( 235)	-
6000 Total Operating Expenses		( 681,014)	( 4)	( 666,988)	( 3)
6900 Operating Profit		2,161,421	13	2,299,880	11
Non-operating Income and Expenses					
7100 Interest revenue	6(6)(23) and 7	25,461	-	22,308	-
7010 Other income	6(5)(24)	120,729	1	174,420	1
7020 Other gains and losses	6(25)	( 613)	-	18,561	-
7050 Financial Costs	6(9)(26) and 7	( 53,861)	-	( 26,451)	-
7070 Share of other comprehensive gains and losses of subsidiaries, affiliates and joint ventures recognized using the Equity method	6(7)	76,796	-	37,122	-
7000 Total non-operating income and expenses		168,512	1	225,960	1
7900 Net profit before tax		2,329,933	14	2,525,840	12
7950 Income tax expense	6(29)	( 427,732)	( 3)	( 465,311)	( 2)
8200 Net income of current period		\$ 1,902,201	11	\$ 2,060,529	10
<b>Other comprehensive income (net)</b>					
<b>Items not to be reclassified into profit or loss</b>					
8311 Remeasurements of defined benefit plans	VI(7) (16)	\$ 10,844	-	\$ 9,115	-
8316 Unrealized profit or loss on equity investments at fair value through other comprehensive	6(20)	( 124,610)	( 1)	( 553,228)	( 3)

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

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo



Ruentex Engineering & Construction Co., Ltd.  
Unconsolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022

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

	income				
8349	Income tax relating to non-reclassified items	6(29)	( 2,213)	-	( 1,757) -
8310	Total of items not to be reclassified into profit or loss		( 115,979)	( 1)	( 545,870) ( 3)
8500	<b>Total comprehensive income for the current period</b>		<u>\$ 1,786,222</u>	<u>10</u>	<u>\$ 1,514,659</u> <u>7</u>
	Earnings per share	6(30)			
9750	Basic earnings per share		<u>\$ 10.28</u>		<u>\$ 11.14</u>
9850	Diluted earnings per share		<u>\$ 10.27</u>		<u>\$ 11.13</u>

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

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd.  
Individual Equity Statement  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	Capital surplus				Retained earnings		Unrealized financial assets at fair value through other comprehensive income acquired	Income (Loss)	Total
		Share capital	Issued at premium	Difference between the equity price and the book value of acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Capital surplus - others	Legal reserve			
<u>2022</u>										
Balance on January 1, 2022		\$ 1,849,500	\$ 520,455	\$ 18,858	\$ 234,133	\$ -	\$ 350,043	\$ 1,859,130	\$ 1,843,966	\$ 6,676,085
Net income of current period		-	-	-	-	-	-	2,060,529	-	2,060,529
Other comprehensive income	6(20)	-	-	-	-	-	-	7,358	( 553,228 )	( 545,870 )
Total comprehensive income for this period		-	-	-	-	-	-	2,067,887	( 553,228 )	1,514,659
Appropriation and distribution of the earnings for 2021	6(19)									
Legal reserve		-	-	-	-	-	185,375	( 185,375 )	-	-
Cash dividends		-	-	-	-	-	-	( 1,664,550 )	-	( 1,664,550 )
Disposal of equity in subsidiaries (without losing control)	6(7)	-	-	5,902	-	-	-	-	385	6,287
Balance on December 31, 2022		\$ 1,849,500	\$ 520,455	\$ 24,760	\$ 234,133	\$ -	\$ 535,418	\$ 2,077,092	\$ 1,291,123	\$ 6,532,481
<u>2023</u>										
Balance on January 1, 2023		\$ 1,849,500	\$ 520,455	\$ 24,760	\$ 234,133	\$ -	\$ 535,418	\$ 2,077,092	\$ 1,291,123	\$ 6,532,481
Net income of current period		-	-	-	-	-	-	1,902,201	-	1,902,201
Other comprehensive income	6(20)	-	-	-	-	-	-	8,631	( 124,610 )	( 115,979 )
Total comprehensive income for this period		-	-	-	-	-	-	1,910,832	( 124,610 )	1,786,222
Appropriation and distribution of the earnings for 2022	6(19)									

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

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd.  
Individual Equity Statement  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

Notes	Capital surplus					Retained earnings		Unrealized financial assets at fair value through other comprehensive income acquired	Total
	Share capital	Issued at premium	Difference between the equity price and the book value of acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Capital surplus - others	Legal reserve	Undistributed earnings		
Legal reserve	-	-	-	-	-	206,789	( 206,789 )	-	-
Cash dividends	-	-	-	-	-	-	( 1,849,500 )	-	( 1,849,500 )
Changes of other capital reserves:	-	-	-	-	51	-	-	-	51
Balance on December 31, 2023	<u>\$ 1,849,500</u>	<u>\$ 520,455</u>	<u>\$ 24,760</u>	<u>\$ 234,133</u>	<u>\$ 51</u>	<u>\$ 742,207</u>	<u>\$ 1,931,635</u>	<u>\$ 1,166,513</u>	<u>\$ 6,469,254</u>

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

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd.  
Individual Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2 0 2 3 _	2 0 2 2 _
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 2,329,933	\$ 2,525,840
Adjustments			
Income and expenses with no cash flow effects			
Realized sale gains	6(7)	( 1,107 )	( 1,107 )
Realized gains from disposal of assets	6(7)	-	( 1,397 )
Expected credit impairment losses	6(27) and 12(2)	71	235
Investment income or loss from investment accounted for using equity method	6(7)	( 76,796 )	( 37,122 )
Depreciation expense	6(8)(9) (27)	167,543	146,903
Amortization	6(10)(27)	4,199	3,866
Interest revenue	6(23)	( 25,461 )	( 22,308 )
Dividend income	6(24)	( 102,616 )	( 153,511 )
Gains on write-off of accounts payable past due	6(24)	( 13,222 )	( 878 )
Other income		( 2,195 )	( 16,767 )
Gains on disposals of real estate, plant and equipment	6(25)	( 43 )	( 10,475 )
Interest Cost	6(26)	53,861	26,451
Prepaid equipment transferred to R&D expenses	6(31)	1,087	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contractual assets - Current		621,690	( 2,037,466 )
Notes receivable		( 421,625 )	650,189
Notes Receivable – related party		( 53,949 )	5,713
Accounts receivable		( 475,716 )	( 317,959 )
Accounts receivable - related party		( 500,012 )	210,943
Other receivables		105	( 232 )
Other receivables - related Party		( 664 )	( 195 )
Inventories		( 5,211 )	( 2,439 )
Prepayments		35,155	( 42,138 )
Other Current Assets		( 15,474 )	5,953
Net change in liabilities related to operating activities			
Contract liabilities - current		1,085,653	( 108,657 )
Notes payable		( 211,756 )	157,587
Notes Payable – related Party		( 2,113 )	37
Accounts Payable		( 176,355 )	562,550
Accounts Payable – related Party		( 7,998 )	21,032
Other payables		57,234	18,218
Other non-Current liabilities		4,214	26,100
Other Current liabilities		( 1,836 )	1,510
Cash flow in from operating		2,266,596	1,610,476
Interest received		25,521	21,719
Dividends received		136,714	167,239
Interest paid		( 56,457 )	( 23,142 )

Ruentex Engineering & Construction Co., Ltd.  
Individual Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2 0 2 3 _	2 0 2 2 _
Income tax paid		( 468,097 )	( 351,722 )
Cash inflow from operating activities		1,904,277	1,424,570

(Continued)

Ruentex Engineering & Construction Co., Ltd.  
Individual Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2 0 2 3 _	2 0 2 2 _
<u>Cash flows from investing activities</u>			
Decrease (increase) in other financial assets -			
current		(\$ 37,644)	\$ 45,263
Share capital returned from capital reduction in	6(5)		
financial assets at fair value through other			
comprehensive income		10,793	-
Acquisition of financial Assets at fair value	6(5)		
through other comprehensive income acquired -			
non-Current		-	( 1,221,819 )
Real estate, plant and equipment acquired	6(8)	( 127,483 )	( 92,302 )
Disposal the payment of real estate, plants, and			
equipment		109	17,144
Acquisition of intangible assets	6(10)	( 5,270 )	( 6,832 )
Increase in prepayments for equipment		( 100 )	( 5,598 )
Decrease (increase) in refundable deposits		<u>26,346</u>	<u>( 34,017 )</u>
Cash used in investing activities		<u>( 133,249 )</u>	<u>( 1,298,161 )</u>
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term borrowings	6(32)	( 2,289,000 )	1,889,000
Increase (decrease) in short-term notes and bills	6(32)		
payable		( 470,000 )	300,000
Amount of long-term borrowings	6(32)	1,800,000	-
Principal elements of lease payments	6(32)	( 83,772 )	( 73,953 )
Increase in guarantee deposits	6(32)	6,388	89,373
Cash dividends paid	6(19)	( 1,849,500 )	( 1,664,550 )
Changes of other capital reserves:		<u>51</u>	<u>-</u>
Net cash generated from (used in)		<u>( 2,885,833 )</u>	<u>539,870</u>

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

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

Ruentex Engineering & Construction Co., Ltd.  
Individual Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2 0 2 3 _	2 0 2 2 _
financing activities			
Increase (decrease) of cash and cash equivalents –			
current period		( 1,114,805 )	666,279
Cash and cash equivalents, beginning of period		1,719,412	1,053,133
Cash and cash equivalents, end of period		\$ 604,607	\$ 1,719,412

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

Chairman: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

[Attachment 4]

**Ruentex Engineering & Construction Co., Ltd.**

**Table of Comparison of Clauses Before and After Amendment of the “Articles of Incorporation”**

After amendment	Original clause	Description
<p>Article 2 The Company's business activities are as follows: 01.~54.(Omitted) 55. <u>CA02010 Manufacture of Metal Structure and Architectural Components</u> 56. <u>C901990 Other Non-Metallic Mineral Products Manufacturing</u> 57. <u>C901020 Glass and Glass Products Manufacturing.</u> 58. <u>C901060 Manufacture of Refractory Products</u> 59. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>Article 2 The Company's business activities are as follows: 01.~54. (Omitted) 55. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>Addition of new business items in response to the Company's business needs.</p>



After amendment	Original clause	Description
<p>Article 27</p> <p>With the surplus earnings after final account settlement process, the dividend shall be distributed based on the priority order as enumerated below:</p> <p>(I) First pay income tax.</p> <p>(II) Make up loss accumulated in previous year, if any.</p> <p>(III) Amortize 10% as legal reserve unless the accumulated legal reserve is up to the <u>paid-in capital</u> of the Company.</p> <p>(IV) Amortize or rotate special reserve as required by law or the competent authority.</p> <p>(V) For the balance after deduction of the sums under Paragraphs (1)-(4), the Board of Directors shall propose the allocation to be duly allocated after being submitted and resolved in the shareholders' meeting.</p> <p>The Company shall allocate special reserve in the manners listed below:</p> <p>(I) With respect to the book net amount of other deductions from equity for the period in which it arises, an equivalent amount of special</p>	<p>Article 27</p> <p>With the surplus earnings after final account settlement process, the dividend shall be distributed based on the priority order as enumerated below:</p> <p>(I) First pay income tax.</p> <p>(II) Make up loss accumulated in previous year, if any.</p> <p>(III) Amortize 10% as legal reserve unless the accumulated legal reserve is up to the <u>total capital</u> of the Company.</p> <p>(IV) Amortize or rotate special reserve as required by law or the competent authority.</p> <p>(V) For the balance after deduction of the sums under Paragraphs (1)-(4), the Board of Directors shall propose the allocation to be duly allocated after being submitted and resolved in the shareholders' meeting.</p> <p>The Company shall allocate special reserve in the manners listed below:</p> <p>(I) With respect to the book net amount of other deductions from equity for the period in which it arises, an equivalent amount of special reserve shall be allocated from the amount of</p>	<p>Revision to this article is made with reference to the proviso to Article 237, paragraph 1 and Article 228-1, paragraph 3 of the Company Act.</p>

After amendment	Original clause	Description
<p>reserve shall be allocated from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that is included in the undistributed earnings. If there remains any insufficiency, it shall be allocated from the undistributed earnings of the previous period.</p> <p>(II) With respect to the cumulative net amount of other deductions from the equity in a preceding period, the Company shall allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period.</p>	<p>the after-tax net profit for the period, plus items other than after-tax net profit for the period, that is included in the undistributed earnings. If there remains any insufficiency, it shall be allocated from the undistributed earnings of the previous period.</p> <p>(II) With respect to the cumulative net amount of other deductions from the equity in a preceding period, the Company shall allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period.</p>	
<p>Article 28</p> <p>The Company sets its dividend policy pursuant to the Company Act and the Company's Articles of Incorporation, taking into account the Company's capital and financial structure, conditions of business operation, earnings, the attributes of industries and cycles concerned. The Company pays dividends by means of either stock dividend or cash dividends. <u>However, dividends to shareholders shall be paid in the amount of no less</u></p>	<p>Article 28</p> <p>The Company sets its dividend policy pursuant to the Company Act and the Company's Articles of Incorporation, taking into account the Company's capital and financial structure, conditions of business operation, earnings, the attributes of industries and cycles concerned. The Company pays dividends by means of either stock dividend or cash dividends.</p>	<p>The article is amended with reference to the sound dividend policy measures announced by the Securities and Futures Bureau, Financial Supervisory Commission.</p>

After amendment	Original clause	Description
<u>than 50% of the balance of the net profit after tax for the year deducting the provision for legal reserve and various special reserves, within the balance of the distributable earnings for the current year. For cash dividends, the ratio of cash dividend shall not be less than 30% of the total dividends for the year.</u>		
Article 30 (Original Article) <u>29th amendment was made on May 16, 2024.</u>	Article 30 (Original Article)	Added the 29th amendment.

# Articles of Incorporation of Ruentex Engineering & Construction Co., Ltd.

## Chapter 1 General provisions

- Article 1: The Company is incorporated in accordance with the Company Act and named 潤弘精密工程事業股份有限公司, and the English name is Ruentex Engineering & Construction Co., Ltd.
- Article 2: The business scope of the Company is as follows:
- 01.C802990 Other Chemical Products Manufacturing
  - 02.C901030 Cement Manufacturing
  - 03.C901040 Manufacture of Ready-mix Concrete
  - 04.C901050 Cement and Concrete Products Manufacturing
  - 05.E101011 Comprehensive Construction Activities
  - 06.E501011 Tap Water Pipelines Contractors
  - 07.E502010 Fuel Catheter Installation Engineering
  - 08.E599010 Piping Engineering
  - 09.E601010 Electric Appliance Construction
  - 10.E601020 Electric Appliance Installation
  - 11.E603010 Cable Installation Engineering
  - 12.E603020 Elevator Installation Engineering
  - 13.E603040 Fire Safety Equipment Installation Engineering
  - 14.E603050 Automatic Control Equipment Engineering
  - 15.E603090 Lighting Equipments Construction
  - 16.E603100 Electric Welding Engineering
  - 17.E604010 Machinery Installation
  - 18.E605010 Computer Equipment Installation
  - 19.E701010 Communication Engineering
  - 20.E801010 Indoor Decoration
  - 21.E801020 Doors and Windows Installation Engineering
  - 22.E801030 Indoor Light-gauge Steel Frame Engineering
  - 23.E801040 Glass Installation Engineering
  - 24.E801070 Kitchenware and Sanitary Fixtures Installation Engineering
  - 25.E901010 Painting Engineering
  - 26.E903010 Anti-Corrosion and Anti-Rust Engineering
  - 27.EZ05010 Instrument and Meters Installation Engineering
  - 28.EZ06010 Traffic Marking Engineering

29.EZ09010 Electrostatic Protection and Cancellation Engineering  
 30.EZ13010 Nuclear Engineering  
 31.EZ15010 Warming and Cooling Maintenance Construction  
 32.F106040 Wholesale of Plumbing Materials  
 33.F107010 Wholesale of Paints, Coating and Varnishes  
 34.F107990 Wholesale of Other Chemical Products  
 35.F111090 Wholesale of Building Materials  
 36.F113100 Wholesale of Pollution Controlling Equipments  
 37.F113010 Wholesale of Machinery  
 38.F113020 Wholesale of Electrical Appliances  
 39.F114010 Wholesale of Motor Vehicles  
 40.F117010 Wholesale of Fire Safety Equipment  
 41.F206040 Retail Sale of Plumbing Materials  
 42.F207010 Retail Sale of Paints, Coating and Varnishes  
 43.F207990 Retail Sale of Other Chemical Products  
 44.F211010 Retail Sale of Building Materials  
 45.F213010 Retail Sale of Electrical Appliances  
 46.F213080 Retail Sale of Machinery and Tools  
 47.F214010 Retail Sale of Motor Vehicles  
 48.F217010 Retail Sale of Fire Safety Equipment  
 49.F401010 International Trade  
 50.I103060 Management Consulting  
 51.I503010 Landscape and Interior Designing  
 52.JA02010 Electric Appliance and Electronic Products Repair  
 53.E602011 Refrigeration and Air Conditioning Engineering  
 54.I101061 Professional Engineering Consulting  
 55.ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The headquarters of the Company shall be located in Taipei City, Taiwan. If necessary, the Company may, with a resolution adopted by a Board of Directors meeting, set up branches in Taiwan or abroad.

Article 4: The Company's announcement method shall be handled in accordance with the provisions of Article 28 of the Company Act.

Article 5: For the need of diversified operations and sustainable management, the Company may engage in operations and re-investments regarding all areas of business. The total amount of re-investment by the Company is exempt from the restriction under Article 13 of the Company Act that such an amount shall not exceed 40% of the paid-up capital of the Company.

Article 6: The Company may provide guarantees to external parties with the

maximum limit of five times the capital.

## Chapter 2 Shares

- Article 7: The total capital of the Company shall be NT\$3 billion, divided into 300 million shares at a par value of NT\$10 per share. The Board of Directors is authorized to issue these shares in phases.
- Article 8: The Company's shareholders shall fill out a signature card and send it to the Company to be filed for reference. When the shareholders subsequently receive dividends and exercise their shareholder rights, they shall only use the retained signature.
- Article 9: All the shares of the Company are registered and shall be affixed with the signatures or personal seals of the director representing the Company. The shares may be issued only after they are legally certified. The Company may issue shares without printing share certificates.
- Article 10: Within 60 days before a regular shareholders' meeting is convened, 30 days before a special shareholders' meeting is convened or 5 days before the record date on which the Company has decided to distribute dividends, bonuses and other benefits, all changes of the names and transfers of shares shall cease.

## Chapter 3 Shareholders' Meeting

- Article 11: A shareholders' meeting is held in the form of a regular or special meeting. A regular meeting is held once every year, and the Board of Directors shall convene the regular meeting within six months after the end of each fiscal year in accordance with the law. A special meetings may be convened in accordance with the law if necessary.  
The Company's shareholders' meeting can be held by means of a visual communication network or other methods promulgated by the central competent authority. The Company's shareholders' meeting held via a visual communication network is subject to prescriptions provided for by the competent authority, including the prerequisites, procedures, and other compliance matters.
- Article 12: When a shareholder cannot attend a shareholder meeting in person for reasons, they may appoint a proxy to attend the meeting by providing the proxy form issued by the Company with the scope of the authorization stated. The use of a proxy form shall be handled in accordance with applicable regulations.
- Article 13: A shareholder shall have one voting right for each share held, except for any share legally held by the Company itself, which does not have any

voting right.

Article 14: Except as otherwise provided by the Company Act, any resolution of a shareholders' meeting shall be adopted by a majority of the voting rights held by the shareholders present, with attendance of the shareholders representing a majority of the total shares issued.

Pursuant to the regulations of the competent authority, a shareholder of the Company may exercise voting rights in an electronic form. Any shareholder exercising voting rights in an electronic form will be deemed as having attended the shareholders' meeting in person, and all relevant matters shall be subject to the applicable laws and regulations.

Article 15: In addition to approval of the Board of Directors, the cancellation of the public offering shall be handled after the resolution is adopted by the shareholders' meeting.

#### Chapter 4 Directors and the Audit Committee

Article 16: The Company shall have seven to nine directors on the Board, and the number of directors is determined by resolution of the Board of Directors. The term of office is three years. The shareholders' meeting shall elect such directors from a list of candidates through a candidate nomination system as specified in Article 198 of the Company Act. They may be re-elected.

Article 16-1: The Company shall establish an Audit Committee, which shall be formed by all independent directors. The Audit Committee or the committee members shall be responsible for performing the duties of supervisors in accordance with the Company Act, Securities and Exchange Act, and other laws and regulations.

Article 17: As for the number of directors, the number of independent directors shall be at least three and may not be less than one-fifth of the number of directors. The professional qualifications, shareholding, restrictions on positions held concurrently, nomination, election methods, and other matters to be followed for independent directors shall be handled in accordance with the relevant regulations of the competent securities authority.

The elections of independent and non-independent directors shall be held at the same time, with the numbers of elected directors calculated separately.

Article 18: The Board of Directors shall be organized by the directors. The Chairman shall be elected by more than half of the directors present at a board meeting attended by at least two-thirds of all directors from among themselves. The Chairman shall represent the Company externally.

Article 19: If the Chairman is on leave or unable to exercise his/her function for

whatever reasons, the appointment of his/her proxy shall be subject to Article 208 of the Company Act.

Article 20: Directors shall attend Board meetings in person. Those who are unable to attend in person may appoint other directors to attend as proxies. Directors' entrustment of others to attend a Board meeting as proxies shall be handled in accordance with Article 205 of the Company Act and may be carried out by video conference.

Article 21: The Board of Directors is authorized to determinate the remuneration of directors through discussions in respect to their involvement in organizational operations and organizational contributions and with reference to the common pay standards in the business.

Article 22: A company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

Article 23: The reasons for convening a Board of Directors meeting shall be specified in a notice sent to all directors in writing or by fax 7 days prior to the meeting. Such a meeting may be convened at any time in case of emergency events.

The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof.

## Chapter 5 Managers

Article 24: The Company may have one president, several division presidents, and several managers. Their appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

## Chapter 6 Accounting

Article 25: A fiscal year of the Company shall be the period from January 1 to December 31. At the end of each fiscal year, the Board of Directors shall prepare (1) a business report; (2) financial statements; and (3) proposal for profit distribution or loss make-up, and submit them to the shareholders' meeting for ratification.

Article 26: When the Company has a profit in a fiscal year, at least 1% of such profit shall be distributed as the employees' compensation. If the Company has accumulated losses, an equivalent amount from the profit earned shall be reserved to make up for losses.



The aforementioned employee compensation may be paid in stock or cash and shall be adopted by a majority of the directors at a meeting attended by at least two-thirds of the directors, and shall be reported at the shareholders' meeting.

Employee compensation is distributed to employees of control or subordinate companies who meet certain criteria.

Article 27: With the surplus earnings after final account settlement process, the dividend shall be distributed based on the priority order as enumerated below:

- (I) First pay income tax.
- (II) Make up loss accumulated in previous year, if any.
- (III) Amortize 10% as legal reserve unless the accumulated legal reserve is up to the total paid-in capital of the Company.
- (IV) Amortize or rotate special reserve as required by law or the competent authority.
- (V) For the balance after deduction of the sums under Paragraphs (1)-(4), the Board of Directors shall propose the allocation to be duly allocated after being submitted and resolved in the shareholders' meeting.

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

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

Article 28: The Company sets its dividend policy pursuant to the Company Act and the Company's Articles of Incorporation, taking into account the Company's capital and financial structure, conditions of business operation, earnings, the attributes of industries and cycles concerned. The Company pays dividends by means of either stock dividend or cash dividends.

## Chapter 7 Supplemental Provisions

Article 29: Matters not provided for in these Articles of Association shall be subject to

the Company Act and applicable laws and regulations.

Article 30: These Articles of Association were established on October 15, 1975.

1st amendment was made on January 8, 1976.

2nd amendment was made on December 10, 1981.

3rd amendment was made on December 24, 1994.

4th amendment was made on March 20, 1995.

5th amendment was made on July 7, 1995.

6th amendment was made on March 15, 1996.

7th amendment was made on June 4, 1999.

8th amendment was made on October 5, 2001.

9th amendment was made on June 3, 2002.

10th amendment was made on September 9, 2002.

11th amendment was made on October 12, 2004.

12th amendment was made on February 6, 2006.

13th amendment was made on March 6, 2006.

14th amendment was made on March 16, 2006.

15th amendment was made on July 26, 2006.

16th amendment was made on November 27, 2006.

17th amendment was made on December 29, 2006.

18th amendment was made on June 26, 2007.

19th amendment was made on June 2, 2008.

20th amendment was made on June 3, 2009.

21th amendment was made on June 1, 2010.

22th amendment was made on May 16, 2012.

23th amendment was made on May 31, 2013.

24th amendment was made on May 31, 2016.

25th amendment was made on May 28, 2019.

26th amendment was made on May 27, 2020.

27th amendment was made on July 19, 2021.

28th amendment was made on May 27, 2022.

# **Ruentex Engineering & Construction Co., Ltd.**

## **Rules of Procedure for Shareholders Meetings**

Established on June 26, 2007  
First amendment on May 16, 2012  
Second amendment on May 28, 2015  
Third amendment on May 31, 2023

- Article 1 Unless otherwise stipulated by laws or regulations, the rules of procedure for the Company's shareholders' meeting shall be governed by these Rules.
- Article 2 A "shareholder" under these Rules shall mean any shareholder and the proxy attending the meeting on behalf of the shareholder.
- Article 3 The Company shall prepare an attendance book for any attending shareholder to sign in, or the attending shareholder may hand in a sign-in card as an alternative. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically. Any shareholder who is unable to attend a shareholders' meeting for any reason may appoint a proxy to attend the shareholders' meeting by presenting a proxy form printed by the Company, indicating the scope of the authorization. Relevant matters regarding entrustment of a proxy shall be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies and the applicable provisions of Article 177 of the Company Act. Each shareholder may appoint a proxy to attend each shareholders' meeting by presenting a proxy form printed by the Company, indicating the scope of the authorization. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders.
- With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting

rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After the service of the power of attorney of a proxy to the company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission , a proxy rescission notice shall be filed with the company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

Article 4 Attendance and voting at shareholders' meetings shall be calculated based on the number of shares. A shareholder shall have one voting right for each share held, except for any share legally held by the Company itself, which does not have any voting right.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders

meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, and waived his or her rights to the extempore motion and amendments to existing proposals at the shareholders' meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except for a declaration to revoke a prior expression of intent.

If, after having exercised the voting rights in writing or electronically, a shareholder intends to attend the shareholders' meeting in person, he or she shall revoke the prior expression of intent on exercise of voting rights in the same manner as how he or she has exercised the voting rights two days before the shareholders' meeting. If the revocation is not made within the specified time limit, exercise of voting rights in writing or electronically shall prevail. In a shareholder exercises his or her voting rights in writing or electrically and issues a proxy form to authorize an agent to attend the shareholders' meeting, exercise of the voting rights by the authorized agent shall prevail.

Article 5 A notice to convene the shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. A notice to convene a special meeting of shareholders shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. For shareholders each holding fewer than 1,000 registered shares, the shareholders' meeting notice to be delivered to them may be done by means of an announcement made on the MOPS in accordance with other applicable laws and regulations. The shareholders' meeting shall be held at the location where the Company is headquartered or a location convenient for the shareholders to attend the meeting and suitable for convening the shareholders' meeting. The start time of the meeting shall be no earlier than 9 a.m. and no later than 3 p.m.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Article 6 Any shareholders' meeting convened by the Board of Directors shall be chaired by the Chairman of the Board. If the Chairman is on leave or unable to exercise his/her function for whatever reasons, the Vice Chairman shall act on his/her behalf. In the absence of a Vice Chairman or where the Vice Chairman is also on leave or unable to exercise his/her function for whatever reasons, the Chairman shall appoint one of the directors to act on his/her behalf. Where the Chairman does not make such appointment, the directors shall select one of them to act on behalf of the Chairman. If a shareholders' meeting is convened by any person other than the Board of Directors and who has the right to do so, the meeting shall be chaired by that person. Where there are two or more such persons, they shall select one of them to serve as the chairman.

It is advisable that a shareholders' meeting convened by the Board of Directors be chaired by the Chairperson of the Board in person and attended by a majority of the directors (including at least one independent director) in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

Article 7 Attorneys, accountants or other related persons entrusted by the Company may attend a shareholders' meeting.  
Any person managing the administrative affairs of a shareholders' meeting shall wear an identification badge or armband.

Article 8 Audio or video records for the process of a shareholders' meeting shall be made and retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9 The chair shall call the meeting to order upon the meeting time and disclose information concerning the number of non-voting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the shareholders present after the second postponement, while still not meeting the quorum, represent at least one third of the total shares issued, a tentative resolution may be adopted in accordance with Paragraph 1, Article 175 of the Company Act. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a Shareholders' meeting within one month.

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

Article 10 If a Meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in accordance with the agenda, which may not be changed without a resolution of the meeting. If any shareholder is in violation of the procedure, the chair shall immediately stop him/her from speaking and ask him/her to propose an extempore motion instead.

The preceding paragraph shall apply mutatis mutandis to any shareholders' meeting convened by any person other than the Board of Directors and who has the right to do so.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs

(including extraordinary motions), except by a resolution of the shareholders meeting.

During the session of a shareholders' meeting, if the chairman declares the adjournment of the meeting in a manner in violation of such rules governing the proceedings of meetings, a new chairman of the meeting may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceedings of the meeting.

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

Article 11 Before any shareholder attending a shareholders' meeting delivers a statement, the shareholder shall submit a speaker's slip containing the subject of his/her statement and his/her account number (or attendance card number) and account name. The chair shall determine the order in which the shareholder delivers his/her statement.

Any shareholder who has submitted a speaker's slip without delivering his/her statement shall be deemed as not having delivered any statement at all. In the event of any inconsistency between the statement delivered and that contained in the speaker's slip, the statement delivered shall prevail.

When a shareholder is delivering his/her statement, any other shareholder may not interrupt with his/her own statement without consent by both the chair and the shareholder delivering his/her statement. The chair shall stop any such interruption.

Article 12 Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

If any shareholder's statement violates these Rules or exceeds the scope of the proposal, the chair may stop the delivery of his/her statement.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in the preceding two paragraphs do not apply.

As long as questions so raised in accordance with the preceding paragraph are



not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 13 Any juristic person to be present at the shareholders' meeting as a proxy may only send one representative to the meeting.

Where any shareholder who is a juristic person has sent two or more representatives to attend the shareholders' meeting, only one of them may be selected to deliver a statement on a proposal.

Article 14 After the attending shareholders have delivered their statements, the chairperson may give or have designated persons give responses.

Article 15 If the chair determines that any proposal has been sufficiently discussed and can be put to a vote, he/she may end the discussion and submit the proposal to a vote.

Article 16 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The voting result shall be announced on-site, with a record made in this regard.

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters,

accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes and such obstacles cannot be resolved, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 3 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 17 During the process of the meeting, the chair may announce a break at any time deemed appropriate by him/her. In the event of force majeure, the chair may suspend the meeting and announce a time for the resumption of the meeting depending on the circumstances.

If the meeting venue is no longer available for continued use before all of the items (including extempore motions) on the meeting agenda have been completed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted by the shareholders' meeting to postpone or resume the meeting within five days.

Article 18 Except as otherwise provided in the Company Act and the Articles of Association, a proposal shall be adopted by a majority of the voting rights represented by the attending shareholders. A proposal shall be deemed as adopted if, after the chair has consulted the attending shareholders, no objection has been raised against it. Any proposal adopted in such a manner

shall be equally effective as that adopted by voting.

Article 19 Where there is any amendment or alternative proposal, the chair shall determine the order in which the amendment or alternative proposal and the original one are put to a vote. If one of the proposals is adopted, the other proposals shall be deemed as rejected, and no further voting is required.

Article 20 The chair may direct disciplinary officers (or security guards) to help maintain order at the meeting. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word “Proctor.”

At the place of the shareholders’ meeting, if any shareholder speaks through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from doing so.

When any shareholder violates these Rules and defies the chair’s correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct disciplinary officers or security guards to escort the shareholder out of the meeting.

Article 21 During the process of the meeting, if a civil defense siren goes off, the meeting shall be suspended with evacuation of the attendees. The meeting shall resume one hour after the end of the siren.

Article 22 Matters not provided for in these Rules shall be subject to the meeting rules issued by the Ministry of the Interior.

Article 23 These Rules and all amendments thereto shall be enforced upon approval by a shareholders’ meeting.

## Shares Held by the Directors of Ruentex Engineering & Construction Co., Ltd.

Book Closure Date of the Annual Meeting of Shareholders: March 18, 2024

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

Title	Legally required percentage of shareholding	Legally required number of shares held	Number of shares recorded in the shareholder register
All directors	7.5000%	11,097,000 shares	87,989,426 shares

2. List of shares held by directors

Title	Name	Date of election	Term of office (year)	Number of shares recorded in the shareholder register (share)	Percent age of shares held (%)
Chairman	Ruentex Development Co., Ltd. Representative: Lee, Chih-Hung	May 31, 2023	3	72,397,456	39.14
Director	Yingjia Investment Co., Ltd. Representative: Mo, Wei-Han	May 31, 2023	3	11,558,690	6.25
Director	Ruen Hua Dyeing & Weaving Co., Ltd. Representative: Yin, Chung-Yao	May 31, 2023	3	3,540,080	1.91
Director	Ruentex Development Co., Ltd. Representative: Chang, Kun-Long	May 31, 2023	3	72,397,456	39.14
Director	Huei Hong Investment Co., Ltd. Representative: Chen, Chih-Chuan	May 31, 2023	3	493,200	0.27

Director	Ruentex Development Co., Ltd. Representative: Lin, Chin-Szu	May 31, 2023	3	72,397,456	39.14
Independent Director	Shen, Xiao-Ling	May 31, 2023	3	0	0.00
Independent Director	Zheng, Hui-Bin	May 31, 2023	3	0	0.00
Independent Director	Lin, Kuo-Feng	May 31, 2023	3	0	0.00
Total number of shares held and ratio of shareholding by all directors				87,989,426	47.57

Note 1: The percentage of combined shareholding of all directors is in line with the Rules.

Note 2: The Company set up an Audit Committee in June 22, 2020.