



**RUENTEX**

Stock Code: 2597

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

## **Handbook for the 2023 Annual Meeting of Shareholders**

**M E E T I N G   T I M E :   0 5   3 1 , 2 0 2 3**

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Ruentex Engineering & Construction Co., Ltd.  
Procedure of the 2023 Shareholders' Meeting

1. Call to order
2. Chairperson's statement
3. Reports
4. Ratifications
5. Discussion
6. Elections
7. Other matters
8. Extempore motions
9. Adjournment

# Ruentex Engineering & Construction Co., Ltd.

## 2023 Annual Meeting of Shareholders

Form of Shareholders' Meeting: Physical

Time: May 31, 2023 (Wednesday) 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**

1. 2022 Business Report
2. Review by the Audit Committee of the report on the financial statements for 2022
3. Report on distribution of 2022 employees' remuneration
4. Other reporting matters

### **4. Ratifications:**

1. 2022 Business Report and Financial Statements
2. Earnings distribution proposal for 2022

### **5. Discussion:**

1. Amendment to the Rules of Procedure for Shareholders' Meetings.

### **6. Elections:**

1. An election of directors

### **7. Other matters:**

1. Lifting of the non-compete restrictions on newly elected directors

### **8. Extempore motions**

### **9. Adjournment**

## [Reports]

1. 2022 business report, please kindly review.

Description: Please refer to pages 10–17 of this handbook (Attachment 1) for the Company's 2022 Business Report.

2. Review by the Audit Committee of the report on the financial statements for 2022

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 2022, 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\$25,513,540. 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 2022, please kindly review.

The endorsements/guarantees provided by the Company as of December 31, 2022 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	31,254	31,254	Guarantee for a leasing contract
Total			31,254	

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

**Subject:** The 2022 Business Report and financial statements are submitted for ratification.

**Explanation:** 1. The Company's 2022 Business Report and financial statements have been prepared and stamped by the Chairman, the manager, and the chief accounting officer. Please refer to Attachment 1 of this handbook on pages 10–17 and Attachment 3 of this handbook on pages 19–48.

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.

**Decision:**

## Proposal 2

Proposed by the board of directors

Subject: Distribution of earnings for 2022 is submitted for recognition.

Description: 1. The proposed distribution of the surplus of the company of 2022 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  
2022

Unit: New Taiwan Dollars

Item	Amount	Remark
1. Undistributed earnings in the beginning of the year	9,205,197	
2. Net income after tax for this period	2,060,529,512	
Add: Retained earnings for 2022		
adjusted due to defined benefit actuarial gain	7,358,099	
Less: Legal reserve set aside (10%)	(206,788,762)	
3. Distributable profit	1,870,304,046	
Distributable items:		
Common stock dividend (cash dividend: NT\$10 per share)	(1,849,500,000)	
4. Unappropriated retained earnings	20,804,046	
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 2022 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\$7,358,099 being added to the retained earnings for 2022.

4. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-rights date and other relevant issues.
5. This proposal is submitted for ratification.

Decision:



## **[Discussion]**

### **Proposal 1**

Proposed by the board of directors

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

**Description:** 1. Amendments are made in alignment with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings specified in the Taiwan Stock Exchange's Letter No. 11100042501 dated March 8, 2022, and the rules of shareholders' meetings held by video conference as a provision that a shareholders' meeting may be held by video conference has been added to the Articles of Incorporation.

2. Please refer to Attachment 4 on pages 49–59 of this handbook for the Table of Amendments to the Company's Rules of Procedure for Shareholders' Meetings.

3. This proposal is submitted for discussion.

**Decision:**

## **[Elections]**

### **Proposal 1**

Proposed by the board of directors

**Subject:** A proposal for an election of all directors is submitted for a vote.

**Description:** 1. As per Article 16 of the Articles of Incorporation, “The Company shall have seven to nine directorships on the Board, and the number of directors is determined by resolution of the Board of Directors. The term of office is three years.” Nine directors should be elected at this time, with the term of office from May 31, 2023 through May 30, 2026, and may be re-elected.

2. Nine directors will be elected at this time, including three independent directors and six non-independent directors, based on a candidate nomination system.

3. The list of directors (including independent director) nominees was approved by resolution of the Board of Directors on March 14, 2023. Please refer to Attachment 5 on pages 60–63 of this handbook for their education attainment, experience, and other relevant information, and the reasons for the independent director nominees who have already served for three terms.

4. Election is respectfully requested.

**Election result:**

## **[Other matters]**

### **Proposal 1**

Proposed by the board of directors

**Subject:** Lifting of the non-compete restrictions on newly elected directors, please kindly discuss.

**Description:** 1. Where the directors elected by the shareholders' meeting this year have engaged in acts of competition prohibited under Article 209 of the Company Act, if such acts do not prejudice the interest of the Company, it is proposed that the non-compete restrictions on directors be lifted from the date when the newly-elected directors assume office. Please refer to Attachment 6 on pages 64–66 of this handbook for a list of directors with the non-compete clause removed.  
2. This proposal is submitted for discussion.

**Decision:**

## **[Extempore Motions]**

## **[Adjournment]**

[Attachment 1]

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

### **Business Report**

In 2022, the impact of the Russo-Ukrainian War continued, global inflation surged, and major economies adopted tight monetary policies with interest rate hikes, which affected users' demand and severely impacted Taiwan's exports and investment. As the domestic pandemic is becoming less serious and people learned to co-exist with the virus, business activities were gradually recovering. Despite the continuous private investment in semiconductors and other relevant supply chains and the government's multiple green energy facility construction projects, the economic growth rate was still slightly lower than the forecast.

In 2022, the Company took on several projects of international technology plants and carried out a large number of constructions, resulting in significant growth in revenue compared to previous year. Net income attributable to shareholders of the parent company in 2022 was NT\$2.061 billion, an 11.85% increase from NT\$1.842 billion in 2021.

Looking ahead to 2023, global economic growth will slow down, thereby affecting enterprises' investment pace. Investment in equipment will become conservative, and capital expenditure will slow down. With the uncertainty over the macro and external environment, we will still aim to achieve positive growth and continue to enhance basic training, improve engineers' quality, develop new engineering techniques and technologies, treat subcontractors well and have control over relevant resources, insist on quality, as well as create profits and share it with shareholders, to stay ahead of competitors in terms of quality, as our strategic goal to strive forward.

#### **I. Business Status:**

Major projects in 2022 Include: Please refer to the [Business Report - Appendix] for details of the following cases.

- (1) Completed Construction Sites: 9 projects including No.1 Base in Zhongli District, Taoyuan City.
- (2) On-going Construction Sites: A total of 24 construction projects, including T Project - Packaging and Testing Plant C in the Southern Taiwan Science Park.

- (3) New Contract Construction Sites: 12 construction projects, including TCP2 CSA.

## **II. Financial Performance:**

Consolidated revenue for 2022 increased 15.21% to NT\$24.58307 billion from NT\$21.33710 billion in the previous year. Revenue from unconsolidated subsidiaries for 2022 was NT\$20.52095 billion, an increase of 14.36% from NT\$17.94337 billion in the previous year. Net income attributable to owners of the parent company was NT\$2.06053 billion, an increase of 11.85% from NT\$1.84222 billion in the previous year. The consolidated results of operations for the year are highlighted below.

(I) Achievements of the Business Plan:

Unit: NTD in Hundred Millions

Item \ Year	2022		2021		Increased (Decreased) Amount	
	Amount	%	Amount	%	Difference	Proportion of Increase (Decrease) (%)
Operation income	245.83	100.00	213.37	100.00	32.46	15.21
Gross profit	33.88	13.78	32.76	15.35	1.12	3.42
Operating Profit	24.40	9.92	23.14	10.84	1.26	5.42
Income (Loss) Before Tax	26.27	10.68	22.25	10.42	4.02	18.05
Total Consolidated Income (Loss)	21.28	8.65	17.85	8.36	3.43	19.18
Net Income Attributable to Shareholders of the Parent	20.61	8.38	18.42	8.63	2.19	11.85
Equity per Share (NT\$)	11.14	-	9.96	-	1.18	11.84

(II) Budget Achievement:

In 2022 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		2022	2021
Financial Structure (%)	Liabilities to Assets Ratio (%)	63.84	52.83
	Long-term Capital to PP&E Ratio (%)	293.32	301.77
Solvency (%)	Current Ratio (%)	107.74	146.38
	Quick Ratio (%)	47.80	78.39

Portability (%)	Return on Assets (%)	10.97	12.26
	Return on Equity (%)	26.12	25.65
	Profit Margin (%)	8.65	8.36

### III. Main Business Development Strategies

Aspect	Strategy	Main Countermeasure
Technology R&D	To far surpass competitors and lead the development of the precast industry.	1. Overall resource planning and allocation and continuous innovation in R&D, as well as new construction techniques and new equipment.
		2. R&D of energy-efficient and carbon reduction construction techniques for residential buildings.
		3. Establishment of self-owned labor resources and stable strategic partners.
		4. R&D of energy-efficient and carbon reduction construction techniques.
Construction	Development of precast residential housing.	1. Establishment an interdisciplinary team to integrate the advantages of construction, firm, and structural design.
		2. Development of architectural design in line with the precast principle.
		3. Combination of precast and systematic construction techniques.
Reputation and Contribution	Improvement to service quality and development of great reputation.	1. Trust: Be a trustworthy enterprise.
		2. Customer First: Put customers first.
		3. Health and Safety: Create a safe and healthy work environment.
		4. Sustainable Development: Protect the Earth, support environmental protection, and duly implement the concept of sustainable development.

### IV. Research and Development

The Research and Development Team of the Company sets the “Labor-Conservative Construction”, “0 Pollution Construction”, and “Advanced Construction” as the principal spindles in its research and development for the year. By means of such endeavors through mechanization, automation, 3D printing and material upgrading, new specifications, and new engineering approaches, the Company shall check and examine the existent technologies. Teaming up with the trend of the worldwide trends, that 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, pay active attention to environmental protection and green energy, focus on project safety, ensure project quality and shorten construction time, and create profit sharing for customers, shareholders, and colleagues, in order to fulfill its social responsibility of benefiting society and people's livelihoods.

Responsible Person: Lee, Chih-Hung

Manager: Mo, Wei-Han

Accounting Manager: Chao, Tsun-Kuo

**(I) Completed Construction Sites:**

Item	Project
1	New public housing turnkey project at No.1 base in Zhongli District, Taoyuan City
2	National Taipei University of Nursing and Health Sciences new construction of the Teaching and Research Complex and Third Student Dormitory
3	Phison Electronics Corporation new construction of the fifth phase Zhunan factory building
4	Yun San Motors Co., Ltd. new construction of Longfu section in Xitun District
5	T Project F18P6 precast project
6	Phison Electronics Corporation new construction of factory and auxiliary loading and unloading parking space
7	TSMC Nanke F18P7 precast project
8	TSMC Nanke F14P8-FAB precast project
9	TSMC Nanke 18P8 precast project

**(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	TSMC F12P8 precast project
4	New construction of Yungkuan Taichung Port Plant
5	Spiritist Center Phase 3 new construction
6	CHG5 Precast PC Project of Company P
7	TSMC AP6A precast project
8	Cheng Chueh Temple Xuanzang Religious Culture Park construction project
9	Taipei City Wanhua Huajiang Section 2 social housing construction turnkey project
10	Dharma Drum Mountain Nantiantai Ziyun Temple expansion project
11	Molie Quantum Energy Corporation Kaohsiung lithium battery plant new construction
12	MMT P3 PARKING TOWER
13	Yang Er Sixin Section Land No. 25 - PC precast project
14	GBC Zhubei Plant new construction
15	Sanchong Jie 6 main project
16	Ruentex Development Banqiao Mingsheng Road new construction
17	Ruentex Development Jiangcui A new construction
18	Ruentex Development Lihe Section new construction

19	Ruentex Development Wolong Street project
20	Ruentex Development Yangbei new construction
21	Ruentex Development Wuguwang B new construction
22	Ruentex Development Wuguwang A new construction
23	Ruentex Construction Qingtian Street project
24	Ruentex Innovative Development new construction of Yucheng Section

(III) Newly Contracted Construction Sites:

Item	Project
1	TCP2 CSA civil engineering project
2	Phison Electronics's phase 3 restaurant, plant use license change, and interior design project
3	Phison Electronics's innovation building construction project
4	MS TPE03 preliminary construction project
5	TSMC Zhunan AP6B-FAB Precast Project
6	Yang Yi Sixin Section - PC precast project
7	CHW2204 new construction project
8	RDE new turnkey project
9	TOK phase 1 CR project
10	ATP Electronics's plant construction (in Taiwan Ciaotou Science Park) project
11	TransGlobe Life Insurance's headquarters building project
12	Taipei Veterans General Hospital's precast dormitory 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 2022. 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,  
2023

Audit Committee's Convener: Shen, Xiao-Ling

March 14, 2023

## [Attachment 3]

### Independent Auditors' Report (2023) Cai-Shen-Bao-Zi No. 22004625

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, 2022 and December 31, 2021, the consolidated comprehensive income statements, equity statements and cash flow statements of Ruentex Group for the period from Jan. 1 to December 31, 2022 and the period from January 1 to December 31, 2021, 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, 2022 and 2021, 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 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The most significant key audit matters in our audit of Ruentex Engineering & Construction Group's consolidated financial statements for the year ended 2022 are as follows:

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

### **Description of Key Audit Matters**

For the year of 2022, Ruentex Engineering & Construction Group's construction contract revenue was NT\$21,538,049 thousand, representing 87.61% of consolidated operating revenue. Please see Note 4(27) for accounting policies on revenue recognition, Note 5(2) for critical accounting estimates and assumptions and Note 6(23) 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(27) 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, 2022 and 2021.

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

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

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group'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 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

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 14, 2023

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2022 and 2021

Unit: NT\$ thousands

Assets		Note	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 2,380,096	11	\$ 1,666,938	10
1136	Financial assets measured by	6(6)				
	amortized cost - current		75,000	-	-	-
1140	Contract asset - current	6(23) and 7	5,581,710	25	3,311,726	19
1150	Net bills receivable	6(2)	575,894	3	1,176,970	7
1160	Bills receivable - related parties - net	6(2) and 7	51	-	5,713	-
1170	Net Accounts Receivable	6(2)	1,701,534	8	1,149,988	7
1180	Accounts receivable - related parties -	6(2) and 7				
	net		74,504	-	278,151	2
1200	Other receivables		1,737	-	567	-
1210	Other Receivables - related party	7	9,038	-	9,067	-
1220	Current tax assets		6,129	-	9,868	-
130X	Inventories	6(3)	719,608	3	573,806	3
1410	Prepayments	6(4)	404,108	2	372,320	2
1470	Other Current Assets	6(1) and 8	523,974	2	611,920	3
11XX	Total current assets		12,053,383	54	9,167,034	53
Non-current assets						
1517	Financial assets at fair value through	6(5) and 7				
	other comprehensive income -					
	non-current		4,474,311	20	3,424,351	20
1535	Amortized cost financial Assets -	6(6)				
	non-Current		500,000	2	500,000	3
1600	Property, plant, and equipment	6(7)(10), 7 and 8	3,801,686	17	3,694,165	21
1755	Right-of-use assets	6(8) and 7	978,475	4	255,368	1
1780	Intangible Assets	6(9)(10)	208,054	1	189,088	1
1840	Deferred tax Assets	6(31)	127,449	1	130,344	1
1900	Other non-current Assets	6(1) and 8	194,952	1	50,039	-
15XX	Total non-current assets		10,284,927	46	8,243,355	47
1XXX	Total Assets		\$ 22,338,310	100	\$ 17,410,389	100

(Continued)

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2022 and 2021

Unit: NT\$ thousands

Liabilities and Equity			December 31, 2022		December 31, 2021			
			Note	Amount	%	Amount	%	
Current liabilities								
2100	Short-term borrowings	6(12) and 8	\$	3,239,000	15	\$	400,000	2
2110	Short-term bills payable	6(13)		884,342	4		509,676	3
2130	Contract liabilities - current	6(23) and 7		1,012,514	5		1,130,725	7
2150	Notes payable			996,934	4		864,634	5
2170	Accounts Payable			2,919,943	13		2,146,709	12
2200	Other payables	6(14)		784,201	4		745,863	4
2230	Income tax liabilities of current period			494,205	2		351,483	2
2280	Lease liabilities - current	6(8) and 7		95,551	-		104,376	1
2320	Long-term liabilities due within one year or one operating cycle	6(15) and 8		750,000	3		-	-
2399	Other current liabilities - other			10,332	-		8,851	-
21XX	Total Current Liabilities			11,187,022	50		6,262,317	36
Non-current liabilities								
2540	Long-term borrowings	6(15) and 8		1,800,000	8		2,500,000	14
2570	Deferred income tax liabilities	6(31)		17,577	-		16,135	-
2580	Lease liabilities - non-current	6(8) and 7		890,139	4		154,784	1
2600	Other non-Current liabilities	6(16)(17)		367,126	2		264,916	2
25XX	Total Non-Current Liabilities			3,074,842	14		2,935,835	17
2XXX	Total Liabilities			14,261,864	64		9,198,152	53
Equity								
Equity attributed to owners of the parent								
	Capital	6(19)						
3110	Share capital			1,849,500	8		1,849,500	11
	Capital surplus	6(20)						
3200	Capital surplus			779,348	3		773,446	4
	Retained earnings	6(21)						
3310	Legal reserve			535,418	3		350,043	2
3350	Undistributed earnings			2,077,092	9		1,859,130	11
	Other equities	6(22)						
3400	Other equities			1,291,123	6		1,843,966	10
31XX	Total equity attributable to owners of parent			6,532,481	29		6,676,085	38
36XX	Non-controlling Interest			1,543,965	7		1,536,152	9
3XXX	Total Equity			8,076,446	36		8,212,237	47
	Significant contingent liabilities and unrecognized contractual commitments	9						
	Significant subsequent events	11						
3X2X	Total Liabilities and Equity		\$	22,338,310	100	\$	17,410,389	100

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, 2022 and 2021

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

Item	Note	2022		2021	
		Amount	%	Amount	%
4000 Operation income	6(23) and 7	\$ 24,583,067	100	\$ 21,337,098	100
5000 Operation cost	6(3)(9)(24)(29)(30) and 7	( 21,194,815)	( 86)	( 18,061,063)	( 85)
5900 Gross profit		<u>3,388,252</u>	<u>14</u>	<u>3,276,035</u>	<u>15</u>
Operating Expenses	6(9)(29)(30) and 7				
6100 Selling expenses		( 137,409)	( 1)	( 123,189)	-
6200 General & administrative expenses		( 739,557)	( 3)	( 767,580)	( 4)
6300 R&D expenses		( 71,846)	-	( 71,795)	-
6450 Expected credit impairment gains	12(2)	<u>100</u>	<u>-</u>	<u>487</u>	<u>-</u>
6000 Total Operating Expenses		( 948,712)	( 4)	( 962,077)	( 4)
6900 Operating Profit		<u>2,439,540</u>	<u>10</u>	<u>2,313,958</u>	<u>11</u>
Non-operating Income and Expenses					
7100 Interest revenue	6(6)(25) and 7	24,732	-	21,466	-
7010 Other income	6(26)	209,926	1	64,844	-
7020 Other gains and losses	6(8)(27)	19,603	-	( 147,832)	( 1)
7050 Financial Costs	6(8)(28) and 7	( 67,126)	-	( 27,533)	-
7000 Total non-operating income and expenses		<u>187,135</u>	<u>1</u>	<u>( 89,055)</u>	<u>( 1)</u>
7900 Net profit before tax		2,626,675	11	2,224,903	10
7950 Income tax expense	6(31)	( 498,971)	( 2)	( 439,752)	( 2)
8200 Net income of current period		<u>\$ 2,127,704</u>	<u>9</u>	<u>\$ 1,785,151</u>	<u>8</u>

(Continued)

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries  
Consolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2022 and 2021

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

Item		Note	2022		2021	
			Amount	%	Amount	%
<b>Other comprehensive income (net)</b>						
<b>Items not to be reclassified into profit or loss</b>						
8311	Remeasurement of defined benefit plans	6(17)	\$ 9,986	-	\$ 14,956	-
8316	Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(5)	( 607,875)	( 3)	1,440,554	7
8349	Income tax relating to non-reclassified items	6(31)	( 3,444)	-	( 5,151)	-
8310	Total of items not to be reclassified into profit or loss		( 601,333)	( 3)	1,450,359	7
<b>Items may be reclassified subsequently to profit or loss</b>						
8361	Exchange differences on translating foreign operations	6(22)	-	-	21,499	-
8399	Income tax related to items may be reclassified into profit or loss	6(31)	-	-	( 4,300)	-
8360	Total of items may be reclassified subsequently to profit or loss		-	-	17,199	-
8500	<b>Total Comprehensive Income Current Period</b>		<u>\$ 1,526,371</u>	<u>6</u>	<u>\$ 3,252,709</u>	<u>15</u>
Profit attributable to:						
8610	Owners of the parent		\$ 2,060,529	9	\$ 1,842,218	8
8620	Non-controlling Interest		67,175	-	( 57,067)	-
			<u>\$ 2,127,704</u>	<u>9</u>	<u>\$ 1,785,151</u>	<u>8</u>
Comprehensive Income attributed to:						
8710	Owners of the parent		\$ 1,514,659	6	\$ 3,289,269	15
8720	Non-controlling Interest		11,712	-	( 36,560)	-
			<u>\$ 1,526,371</u>	<u>6</u>	<u>\$ 3,252,709</u>	<u>15</u>
Earnings per share						
9750	Basic earnings per share	6(33)	<u>\$ 11.14</u>		<u>\$ 9.96</u>	
9850	Diluted earnings per share		<u>\$ 11.13</u>		<u>\$ 9.95</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 Change in Equity  
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousands

Equity attributed to owners of the parent												
		Capital surplus			Retained earnings		Other equities					
				Difference between the equity price and the book value of acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized			Exchange differences on translating foreign operations	Unrealized financial assets at fair value through other comprehensive income acquired		Non-controlling Interest	Total Equity
Note	Share capital	Issued at premium				Legal reserve	Undistributed earnings		Income (Loss)	Total		
2021												
Balance at January 1, 2021	\$ 1,350,000	\$ 520,455	\$ 18,858	\$ 218,380	\$ 722,225	\$ 1,010,202	(\$ 17,199 )	\$ 425,642	\$ 4,248,563	\$ 1,456,531	\$ 5,705,094	
Net income of current period	-	-	-	-	-	1,842,218	-	-	1,842,218	( 57,067 )	1,785,151	
Other comprehensive income 6(22)	-	-	-	-	-	11,528	17,199	1,418,324	1,447,051	20,507	1,467,558	
Total Comprehensive Income Current Period	-	-	-	-	-	1,853,746	17,199	1,418,324	3,289,269	( 36,560 )	3,252,709	
Appropriation and distribution of the earnings for 2020 6(21)												
Legal reserve	-	-	-	-	100,318	( 100,318 )	-	-	-	-	-	
Cash dividends	-	-	-	-	-	( 405,000 )	-	-	( 405,000 )	-	( 405,000 )	
Share dividend 6(19)	499,500	-	-	-	-	( 499,500 )	-	-	-	-	-	
Cash dividends from the legal reserve 6(21)	-	-	-	-	( 472,500 )	-	-	-	( 472,500 )	-	( 472,500 )	
Changes in the ownership interests of subsidiaries as recognized 4(3) and 6(32)	-	-	-	15,753	-	-	-	-	15,753	186,461	202,214	
Cash dividends for non-controlling interests	-	-	-	-	-	-	-	-	-	( 70,280 )	( 70,280 )	
Balance on December 31, 2021	\$ 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	
2022												
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(22)	-	-	-	-	-	7,358	-	( 553,228 )	( 545,870 )	( 55,463 )	( 601,333 )	
Total Comprehensive Income Current Period	-	-	-	-	-	2,067,887	-	( 553,228 )	1,514,659	11,712	1,526,371	

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 Change in Equity  
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousands

		Equity attributed to owners of the parent										
		Capital surplus			Retained earnings		Other equities					
				Difference between the equity price and the book value of acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized			Exchange differences on translating foreign operations	Unrealized financial assets at fair value through other comprehensive income acquired			
Note	Share capital	Issued at premium				Legal reserve	Undistributed earnings		Income (Loss)	Total	Non-controlling Interest	Total Equity
Appropriation and distribution of the earnings for 2021	6(21)											
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)	4(3) and 6(32)	-	-	5,902	-	-	-	-	385	6,287	23,623	29,910
Cash dividends for non-controlling interests		-	-	-	-	-	-	-	-	-	( 27,522 )	( 27,522 )
Balance on December 30, 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

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 Cash Flows  
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousands

	Note	2022	2021
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 2,626,675	\$ 2,224,903
Adjustments			
Income and expenses			
Expected credit impairment gains	6(29) and 12(2)	( 100 )	( 487 )
Gain on disposal of non-current assets held for sale	6(11)(27)	-	( 18,315 )
Loss on liquidation of subsidiary	6(27)	-	24,618
Depreciation expense	6(7)(8)(29)	365,456	327,493
Amortization and depreciation expenses	6(9)(29)	12,145	11,361
Loss (gain) on disposal of property, plant and equipment	6(27)	( 10,475 )	948
Gains on lease modifications	6(8)(27)	( 175 )	-
Impairment loss on property, plant and equipment	6(7)(10)(27)	-	66,151
Impairment loss on intangible assets	6(9)(10)(27)	-	73,212
Dividend income	6(26)	( 184,983 )	( 48,967 )
Interest revenue	6(25)	( 24,732 )	( 21,466 )
Interest Cost	6(7)(8)(28)	67,126	27,533
Gains on write-off of accounts payable past due	6(26)	( 903 )	( 3,199 )
Other income		( 18,347 )	( 7,379 )
Employee stock option expenses	6(18)(30)	-	37,079
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contractual assets - Current		( 2,269,984 )	( 636,040 )
Notes receivable		601,076	( 1,041,986 )
Notes Receivable – related party		5,662	140,827
Accounts receivable		( 551,446 )	( 245,236 )
Accounts receivable - related party		203,647	( 213,916 )
Other receivables		( 175 )	845
Other receivables - related Party		29	( 29 )
Inventories		( 145,802 )	( 148,968 )
Prepayments		( 31,788 )	( 174,824 )
Other Current Assets		5,949	( 3,879 )
Net change in liabilities related to operating activities			
Contractual Liabilities - Current		( 118,211 )	527,438
Notes payable		132,300	71,380
Accounts Payable		782,043	501,112
Other payables		51,437	178,300
Other Current liabilities		1,483	( 10,119 )
Other non-Current liabilities		25,957	8,364
Cash flow in from operating		1,523,864	1,646,754
Interest received		23,737	21,581
Dividends received		184,983	48,967
Interest paid		( 63,015 )	( 28,696 )
Income tax paid		( 354,302 )	( 304,444 )
Income tax refunded		2,685	-
Cash inflow from operating activities		1,317,952	1,384,162

(Continued)

Ruentex Engineering & Construction Co., Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousands

	Note	2022	2021
<u>Cash flows from investing activities</u>			
Acquisition of financial assets measured at amortized costs - current		( \$ 75,000 )	\$ -
Increase in other financial assets		( 38,532 )	( 465,725 )
Acquisition of financial assets at fair value through other comprehensive income - non-current	6(34)	( 1,663,692 )	( 197,943 )
Real estate, plant and equipment acquired	6(34)	( 355,280 )	( 203,531 )
Disposal the payment of property, plant and equipment		17,144	-
Acquisition of intangible assets	6(9)	( 31,111 )	( 21,753 )
Proceeds from disposal of non-current assets held for sale		-	34,645
Increase in prepayments for equipment		( 53,438 )	( 73,767 )
Cash used in investing activities		( 2,199,909 )	( 928,074 )
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(35)	2,839,000	110,000
Increase in short-term bills payable	6(35)	375,000	250,000
Amount of long-term borrowings	6(35)	530,000	1,350,000
Repayments of long-term borrowings	6(35)	( 480,000 )	( 500,000 )
Increase in guarantee deposits	6(35)	89,373	461
Principal elements of lease payments	6(8)(35)	( 96,096 )	( 97,361 )
Cash dividends paid	6(21)	( 1,664,550 )	( 877,500 )
Disposal of equity in subsidiaries (without losing control)	4(3)	29,910	-
Distribution of cash dividends by subsidiary		( 27,522 )	( 70,280 )
Cash capital increase by subsidiary		-	165,135
Net cash generated by financing activities		1,595,115	330,455
Effects of exchange rate changes		-	( 3,291 )
Increase of cash and cash equivalents current period		713,158	783,252
Cash and cash equivalents, beginning of period		1,666,938	883,686
Cash and cash equivalents, end of period		\$ 2,380,096	\$ 1,666,938

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

## Independent Auditors' Report

(2023) Cai-Shen-Bao-Zi No. 22004375

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, 2022 and 2021 and the unconsolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of the Ruentex Engineering & Construction as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis of Audit Opinions**

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the 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, 2022. These matters were addressed in the context of our audit opinion of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Ruentex Engineering & Construction's unconsolidated financial statements for the year ended December 31, 2022 are stated as follows:

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

### Description of Key Audit Matters

For the year of 2022, Ruentex Engineering & Construction Group's construction contract revenue was NT\$20,502,283 thousand, representing 99.91% 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(20) 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, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

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 14, 2023

Ruentex Engineering & Construction Co., Ltd.  
Unconsolidated Balance Sheets  
December 31, 2022 and 2021

Unit: NT\$ thousands

Assets			December 31, 2022		December 31, 2021	
Note			Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 1,719,412	11	\$ 1,053,133	9
1140	Contract asset - current	6(20) and 7	5,164,420	33	3,126,954	25
1150	Net bills receivable	6(2)	413,590	3	1,063,779	9
1160	Bills receivable - related parties - net	6(2) and 7	-	-	5,713	-
1170	Net Accounts Receivable	6(2)	1,023,446	6	705,722	6
1180	Accounts receivable - related parties - net	6(2) and 7	30,428	-	241,371	2
1200	Other receivables		1,150	-	329	-
1210	Other Receivables - related party	7	9,375	-	9,180	-
130X	Inventories	6(3)	16,290	-	13,851	-
1410	Prepayments	6(4) and 7	381,729	2	339,591	3
1470	Other Current Assets	6(1) and 8	495,233	3	541,145	4
11XX	Total current assets		9,255,073	58	7,100,768	58
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(5) and 7	3,829,288	24	3,124,279	26
1535	Amortized cost financial Assets - non-Current	6(6)	500,000	3	500,000	4
1550	Investments accounted for using equity method	6(7) and 7	906,823	6	910,730	8
1600	Property, plant, and equipment	6(8)	308,291	2	286,903	2
1755	Right-of-use assets	6(9) and 7	934,801	6	149,933	1
1780	Intangible Assets	6(10)	32,190	-	29,224	-
1840	Deferred tax Assets	6(28)	95,254	1	92,424	1
1900	Other non-current Assets		44,132	-	16,766	-
15XX	Total non-current assets		6,650,779	42	5,110,259	42
1XXX	Total Assets		\$ 15,905,852	100	\$ 12,211,027	100

(Continued)

Ruentex Engineering & Construction Co., Ltd.  
Unconsolidated Balance Sheets  
December 31, 2022 and 2021

Unit: NT\$ thousands

Liabilities and Equity			December 31, 2022		December 31, 2021			
			Note	Amount	%	Amount	%	
Current liabilities								
2100	Short-term borrowings	6(11)	\$	2,289,000	14	\$	400,000	3
2110	Short-term bills payable	6(12)		569,515	4		269,852	2
2130	Contract liabilities - current	6(20) and 7		979,793	6		1,088,450	9
2150	Notes payable			890,728	6		733,141	6
2160	Notes payable - related party	7		12,785	-		12,748	-
2170	Accounts Payable			2,274,730	14		1,720,964	14
2180	Accounts payable - related party	7		34,091	-		13,059	-
2200	Other payables	6(13)		566,746	4		552,187	5
2230	Income tax liabilities of current period			469,696	3		351,483	3
2280	Lease liabilities - current	6(9) and 7		76,971	-		51,480	-
2300	Other Current liabilities			8,630	-		7,120	-
21XX	Total Current Liabilities			8,172,685	51		5,200,484	42
Non-current liabilities								
2570	Deferred income tax liabilities	6(28)		13,939	-		13,975	-
2580	Lease liabilities - non-current	6(9) and 7		860,450	6		99,313	1
2600	Other non-Current liabilities	6(14)(15)		326,297	2		221,170	2
25XX	Total Non-Current Liabilities			1,200,686	8		334,458	3
2XXX	Total Liabilities			9,373,371	59		5,534,942	45
Equity								
	Capital	6(16)						
3110	Share capital			1,849,500	12		1,849,500	15
	Capital surplus	6(17)						
3200	Capital surplus			779,348	5		773,446	7
	Retained earnings	6(18)						
3310	Legal reserve			535,418	3		350,043	3
3350	Undistributed earnings			2,077,092	13		1,859,130	15
	Other equities	6(19)						
3400	Other equities			1,291,123	8		1,843,966	15
3XXX	Total Equity			6,532,481	41		6,676,085	55
	Significant contingent liabilities and unrecognized contractual commitments	9						
	Significant subsequent events	11						
3X2X	Total Liabilities and Equity		\$	15,905,852	100	\$	12,211,027	100

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, 2022 and 2021

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

	Item	Note	2022		2021	
			Amount	%	Amount	%
4000	Operation income	6(20) and 7	\$ 20,520,949	100	\$ 17,943,371	100
5000	Operation cost	6(3)(10)(21)(26)(27) and 7	( 17,555,188)	( 86)	( 15,026,290)	( 84)
5900	Gross profit		2,965,761	14	2,917,081	16
5910	Unrealized sales losses	6(7)	-	-	341	-
5920	Realized sale gains	6(7)	1,107	-	920	-
5950	Net gross operating profit		2,966,868	14	2,918,342	16
	Operating Expenses	6(10)(26)(27) and 7				
6100	Selling expenses		( 58,682)	-	( 62,732)	-
6200	General & administrative expenses		( 576,442)	( 3)	( 538,462)	( 3)
6300	R&D expenses		( 31,629)	-	( 33,557)	-
6450	Expected credit impairment losses	6(26) and 12(2)	( 235)	-	-	-
6000	Total Operating Expenses		( 666,988)	( 3)	( 634,751)	( 3)
6900	Operating Profit		2,299,880	11	2,283,591	13
	Non-operating Income and Expenses					
7100	Interest revenue	6(6)(22)	22,308	-	19,390	-
7010	Other income	6(5)(23) and 7	174,420	1	61,655	-
7020	Other gains and losses	6(7)(24)	18,561	-	( 26,305)	-
7050	Financial Costs	6(9)(25) and 7	( 26,451)	-	( 5,036)	-
7070	Share of other comprehensive gains and losses of subsidiaries, affiliates and joint ventures recognized using the Equity method	6(7)	37,122	-	( 32,227)	-
7000	Total non-operating income and expenses		225,960	1	17,477	-
7900	<b>Net profit before tax</b>		2,525,840	12	2,301,068	13
7950	Income tax expense	6(28)	( 465,311)	( 2)	( 458,850)	( 3)
8200	<b>Net income of current period</b>		<u>\$ 2,060,529</u>	<u>10</u>	<u>\$ 1,842,218</u>	<u>10</u>
	<b>Other comprehensive income (net)</b>					
	<b>Items not to be reclassified into profit or loss</b>					
8311	Remeasurement of defined benefit plans	6(7)(15)	\$ 9,115	-	\$ 14,350	-
8316	Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(19)	( 553,228)	( 3)	1,418,324	8
8349	Income tax relating to non-reclassified items	6(28)	( 1,757)	-	( 2,822)	-
8310	Total of items not to be reclassified into profit or loss		( 545,870)	( 3)	1,429,852	8
	<b>Items may be reclassified subsequently to profit or loss</b>					
8361	Exchange differences on translating foreign operations	6(19)	-	-	21,499	-
8399	Income tax related to items may be reclassified into profit or loss	6(28)	-	-	( 4,300)	-
8360	Total of items may be reclassified subsequently to profit or loss		-	-	17,199	-
8500	<b>Total comprehensive income for the current period</b>		<u>\$ 1,514,659</u>	<u>7</u>	<u>\$ 3,289,269</u>	<u>18</u>
	Earnings per share	6(29)				
9750	Basic earnings per share		\$ 11.14		\$ 9.96	
9850	Diluted earnings per share		\$ 11.13		\$ 9.95	

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 Changes in Equity  
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousands

	Note	Share capital	Issued at premium	Capital surplus		Retained earnings		Other equities		Total
				Difference between the equity price and the book value of acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Legal reserve	Undistributed earnings	Exchange differences on translating foreign operations	Unrealized financial assets at fair value through other comprehensive income acquired	
									Income (Loss)	
<u>2021</u>										
Balance at January 1, 2021		\$ 1,350,000	\$ 520,455	\$ 18,858	\$ 218,380	\$ 722,225	\$ 1,010,202	(\$ 17,199 )	\$ 425,642	\$ 4,248,563
Net income of current period		-	-	-	-	-	1,842,218	-	-	1,842,218
Other comprehensive income	6(19)	-	-	-	-	-	11,528	17,199	1,418,324	1,447,051
Total Comprehensive Income Current Period		-	-	-	-	-	1,853,746	17,199	1,418,324	3,289,269
Appropriation and distribution of the earnings for 2020	6(18)									
Legal reserve		-	-	-	-	100,318	( 100,318 )	-	-	-
Cash dividends		-	-	-	-	-	( 405,000 )	-	-	( 405,000 )
Share dividend	6(16)	499,500	-	-	-	-	( 499,500 )	-	-	-
Cash dividends from the legal reserve	6(18)	-	-	-	-	( 472,500 )	-	-	-	( 472,500 )
Changes in the ownership interests of subsidiaries as recognized	6(7)	-	-	-	15,753	-	-	-	-	15,753
Balance on December 31, 2021		\$ 1,849,500	\$ 520,455	\$ 18,858	\$ 234,133	\$ 350,043	\$ 1,859,130	\$ -	\$ 1,843,966	\$ 6,676,085
<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(19)	-	-	-	-	-	7,358	-	( 553,228 )	( 545,870 )
Total Comprehensive Income Current Period		-	-	-	-	-	2,067,887	-	( 553,228 )	1,514,659
Appropriation and distribution of the earnings for 2021	6(18)									
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

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 Cash Flows  
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousands

	Note	2022	2021
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 2,525,840	\$ 2,301,068
Adjustments			
Income and expenses with no cash flow effects			
Realized sale gains	6(7)	( 1,107 )	( 920 )
Unrealized sales losses	6(7)	-	( 341 )
Realized gains from disposal of assets	6(7)	( 1,397 )	( 2,898 )
Expected credit impairment losses	6(26) and 12(2)	235	-
Investment income or loss from investment accounted for using equity method	6(7)	( 37,122 )	32,227
Loss on liquidation of subsidiary	6(7)(24)	-	24,618
Depreciation expense	6(8)(9)(26)	146,903	122,542
Amortization	6(10)(26)	3,866	3,346
Interest revenue	6(22)	( 22,308 )	( 19,390 )
Dividend income	6(23)	( 153,511 )	( 47,577 )
Gains on write-off of accounts payable past due	6(23)	( 878 )	( 3,004 )
Other income		( 16,767 )	( 4,521 )
Loss (gain) on disposal of property, plant and equipment	6(24)	( 10,475 )	116
Interest Cost	6(25)	26,451	5,036
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contractual assets - Current		( 2,037,466 )	( 778,892 )
Notes receivable		650,189	( 1,063,779 )
Notes Receivable – related party		5,713	100,013
Accounts receivable		( 317,959 )	( 162,497 )
Accounts receivable - related party		210,943	( 217,820 )
Other receivables		( 232 )	456
Other receivables - related Party		( 195 )	( 44 )
Inventories		( 2,439 )	( 6,378 )
Prepayments		( 42,138 )	( 177,264 )
Other Current Assets		5,953	( 3,878 )
Net change in liabilities related to operating activities			
Contractual Liabilities - Current		( 108,657 )	561,696
Notes payable		157,587	29,244
Notes Payable – related Party		37	3,541
Accounts Payable		562,550	505,311
Accounts Payable – related Party		21,032	( 9,219 )
Other payables		18,218	183,375
Other Current liabilities		1,510	1,663
Other non-Current liabilities		26,100	4,152
Cash flow in from operating		1,610,476	1,379,982
Interest received		21,719	19,537
Dividends received		167,239	126,248
Interest paid		( 23,142 )	( 5,044 )
Income tax paid		( 351,722 )	( 258,921 )
Cash inflow from operating activities		1,424,570	1,261,802

(Continued)

Ruentex Engineering & Construction Co., Ltd.  
Unconsolidated Statements of Cash Flows  
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousands

	Note	2022	2021
<u>Cash flows from investing activities</u>			
Decrease (increase) in other financial assets -			
current		\$ 45,263	( \$ 460,539 )
Return of capital from investment accounted for	6(7)		
using the equity method		-	136,576
Acquisition of financial Assets at fair value	6(5)		
through other comprehensive income acquired -			
non-Current		( 1,221,819 )	-
Investment accounted for using the equity method	6(7)	-	( 82,365 )
Real estate, plant and equipment acquired	6(8)	( 92,302 )	( 64,666 )
Disposal the payment of property, plant and			
equipment		17,144	-
Acquisition of intangible assets	6(10)	( 6,832 )	( 8,711 )
Increase in prepayments for equipment		( 5,598 )	( 6,945 )
Decrease (increase) in refundable deposits		( 34,017 )	968
Cash used in investing activities		( 1,298,161 )	( 485,682 )
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(31)	1,889,000	400,000
Increase in short-term bills payable	6(31)	300,000	270,000
Principal elements of lease payments	6(31)	( 73,953 )	( 60,500 )
Increase in guarantee deposits	6(31)	89,373	196
Cash dividends paid	6(18)	( 1,664,550 )	( 877,500 )
Net cash inflow (outflow) from			
financing activities		539,870	( 267,804 )
Increase of cash and cash equivalents current period		666,279	508,316
Cash and cash equivalents, beginning of period		1,053,133	544,817
Cash and cash equivalents, end of period		\$ 1,719,412	\$ 1,053,133

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.** [Attachment 4]  
**The “Rules of Procedures for Shareholders Meetings” amendment list**

**Third amendment**

After amendment	Original clause	Description
<p>Article 3</p> <p>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, <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically. 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</p>	<p>Article 3</p> <p>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 or sign-in cards handed in, plus the number of shares whose voting rights are exercised in a written or electronic form. 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</p>	<p>In accordance with the Taiwan Stock Exchange’s Letter No. 11100042501 dated March 8, 2022, it is amended the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” for the amended provisions.</p>

After amendment	Original clause	Description
<p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>	<p>Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders.</p> <p>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.</p> <p>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.</p> <p>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</p>	

After amendment	Original clause	Description
<p>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.</p> <p><u>If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail. In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</u></p>	<p>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.</p>	
<p>Article 5</p> <p>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</p>	<p>Article 5</p> <p>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</p>	<p>In accordance with the Taiwan Stock Exchange’s Letter No. 11100042501 dated March 8, 2022, it is amended the “Sample Template for XXX Co., Ltd. Rules of Procedure for</p>

After amendment	Original clause	Description
<p>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.</p> <p><u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</u></p> <p><u>When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p> <p><u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be</u></p>	<p>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.</p>	<p>Shareholders Meetings" for the amended provisions.</p>

After amendment	Original clause	Description
<u>deemed as attend the shareholders meeting in person.</u>		
<p>Article 6</p> <p>Paragraph 1 omitted.</p> <p>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 (<u>including at least one independent director</u>) 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.</p>	<p>Article 6</p> <p>Paragraph 1 omitted.</p> <p>It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairperson of the Board in person and attended by a majority of the directors, <u>at least one supervisor</u> 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.</p>	<p>As the Company has established an Audit Committee, the parts related to the supervisors are deleted.</p>
<p>Article 8</p> <p>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</p>	<p>Article 8</p> <p>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</p>	<p>In accordance with the Taiwan Stock Exchange's Letter No. 11100042501 dated March 8, 2022, it is amended the "Sample Template for XXX Co., Ltd. Rules of Procedure for</p>

After amendment	Original clause	Description
<p>Act, the ballots shall be retained until the conclusion of the litigation.</p> <p><u>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p> <p><u>In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>	<p>Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>Shareholders Meetings” for the amended provisions.</p>



After amendment	Original clause	Description
<p>Article 9</p> <p>The chair shall call the meeting to order upon the meeting time <u>and disclose information concerning the number of non-voting shares and number of shares represented by shareholders attending the meeting.</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the shareholders present after the second postponement, while still not meeting the quorum, represent at least one third of the total shares issued, a tentative resolution may be adopted in accordance with Paragraph 1, Article 175 of the Company Act. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a Shareholders' meeting within one month.</p> <p>Paragraph 2 omitted.</p>	<p>Article 9</p> <p>The chair of a shareholders' meeting shall call the meeting to order at the designated start time. If the shareholders present do not represent a majority of the total shares issued, the chair may postpone the meeting twice at most, and the duration of postponement shall not exceed one hour in total. If the shareholders present after the second postponement, while still not meeting the quorum, represent at least one third of the total shares issued, a tentative resolution may be adopted in accordance with Paragraph 1, Article 175 of the Company Act. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a Shareholders' meeting within one month.</p> <p>Paragraph 2 omitted.</p>	<p>This article is amended with reference to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings."</p>

After amendment	Original clause	Description
<p>Article 12</p> <p>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.</p> <p>If any shareholder’s statement violates these Rules or exceeds the scope of the proposal, the chair may stop the delivery of his/her statement.</p> <p><u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in the preceding two paragraphs do not apply.</u></p> <p><u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is</u></p>	<p>Article 12</p> <p>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.</p> <p>If any shareholder’s statement violates these Rules or exceeds the scope of the proposal, the chair may stop the delivery of his/her statement.</p>	<p>In accordance with the Taiwan Stock Exchange’s Letter No. 11100042501 dated March 8, 2022, it is amended the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” for the amended provisions.</p>

After amendment	Original clause	Description
<u>advisable the questions be disclosed to the public at the virtual meeting platform.</u>		
<p>Article 16</p> <p>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.</p> <p><u>When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p>	<p>Article 16</p> <p>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.</p>	<p>In accordance with the Taiwan Stock Exchange's Letter No. 11100042501 dated March 8, 2022, it is amended the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" for the amended provisions.</p>

After amendment	Original clause	Description
<p><u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes and such obstacles cannot be resolved, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 3 decide to attend the</u></p>		

After amendment	Original clause	Description
<p><u>physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>		

[Attachment 5]

**List of candidates for directors of Ruentex Engineering & Construction Co., Ltd.**

Account number	Name	Education and experience	Number of shares held
000001	Ruentex Development Co., Ltd. Representative: Lee, Chih-Hung	<ol style="list-style-type: none"> <li>1. Master, Graduate School of Commerce, National Taiwan University</li> <li>2. Chairman of Ruentex Materials Co., Ltd.</li> <li>3. Director of Ruentex Development Co., Ltd.</li> <li>4. Director of Ruentex Industries Ltd.</li> <li>5. President of Ruentex Engineering &amp; Construction Co., Ltd.</li> </ol>	72,397,456
000351	Yingjia Investment Co., Ltd. Representative: Mo, Wei-Han	<ol style="list-style-type: none"> <li>1. Master of Management, Asian Institute of Management</li> <li>2. President of Ruentex Engineering &amp; Construction Co., Ltd.</li> <li>3. Vice President of Continental Engineering Corporation</li> <li>4. Plant Manager of RSEA Engineering</li> </ol>	1,558,690
013207	Ruen Hua Dyeing & Weaving Co., Ltd. Representative: Yin, Chung-Yao	<ol style="list-style-type: none"> <li>1. PhD, University of Oxford, UK</li> <li>2. Vice Chairman of Nan Shan Life Insurance Co., Ltd.</li> <li>3. Director of Ruentex Development Co., Ltd.</li> <li>4. Director of Ruentex Industries Ltd.</li> <li>5. Director of Ruen Chen Investment Holdings Ltd.</li> <li>6. Director of Ruentex Materials Co., Ltd.</li> </ol>	3,540,080

Account number	Name	Education and experience	Number of shares held
000001	Ruentex Development Co., Ltd. Representative: Chang, Kun-Long	<ol style="list-style-type: none"> <li>1. Kainan High School Mechanical Engineering Major</li> <li>2. Chairman of Yingjia Investment Co., Ltd</li> <li>3. Chairman of Sheng Cheng Investment Co., Ltd.</li> <li>4. Vice President of Ruentex Engineering &amp; Construction Co., Ltd.</li> </ol>	72,397,456
000001	Ruentex Development Co., Ltd. Representative: Lin, Chin-Szu	<ol style="list-style-type: none"> <li>1. MA, Department of Finance, National Taiwan University</li> <li>2. Vice President of the Accounting Department, Ruentex Development Co., Ltd.</li> <li>3. Director of Yin Xun Ruo Education Foundation</li> <li>4. Supervisor of Shing Yen Construction &amp; Development Co., Ltd.</li> </ol>	72,397,456
000342	Huei Hong Investment Co., Ltd. Representative: Chen, Chih-Chuan	<ol style="list-style-type: none"> <li>1. Master, Graduate School of Commerce, National Taiwan University</li> <li>2. Chairman of Brogent Technologies Inc.</li> <li>3. Director of OBI Pharma, Inc.</li> <li>4. Director of TaiMed Biologics, Inc.</li> <li>5. Director of Ruentex Materials Co., Ltd.</li> </ol>	493,200
(Independent Director) A2027XXXXXX	Shen, Xiao-Ling	<ol style="list-style-type: none"> <li>1. Master of Management, Michigan State University, USA</li> <li>2. Professor, Department of Business Administration, Soochow University</li> <li>3. President, Takming University of Science and Technology</li> <li>4. Director, Taiwan Corporate Governance Association</li> </ol>	0

Account number	Name	Education and experience	Number of shares held
(Independent Director) R1210XXXXX	Zheng, Hui-Bin	<ol style="list-style-type: none"> <li>1. Ph.D. in Construction Management, Department of Civil Engineering, University of Wisconsin–Madison</li> <li>2. Professor, Operation and Management Track, Department of Civil Engineering, National Taiwan University</li> <li>3. Judge of the Construction Golden Quality Award</li> <li>4. Construction Accreditation Surveyor, Ministry of Transportation and Communications</li> </ol>	0
(Independent Director) L1033XXXXX	Lin, Kuo-Feng	<ol style="list-style-type: none"> <li>1. Ph.D., University of Pittsburgh, USA</li> <li>2. Distinguished Professor, Department of Civil Engineering, National Taiwan University</li> <li>3. Supervisor of Ruentex Materials Co., Ltd.</li> <li>1. Independent Director of TaiMed Biologics, Inc.</li> </ol>	0



## **Reasons for the nomination of a candidate, who has served for three consecutive terms, as an independent director**

If an independent director has already served as an independent director of a public company for three consecutive terms or more, the Company shall publicly disclose, together with the results of the above-stated review, the reasons why the candidate is nominated again for the independent directorship, and present the reasons to the shareholders at the time of the election at the shareholders meeting as per Article 5 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The reason that the Company continues to nominate the candidate, who has served as an independent director for three consecutive terms, as an independent director candidate is as follows:

### **■ Shen, Xiao-Ling**

1. Ms. Shen, Xiao-Ling and her spouse do not hold any shares in the Company, have never worked at the Company or any affiliate, and are not related to any managers at the Company and therefore are independent from the Company.
2. Ms. Shen, Xiao-Ling is a professor at the Department of Business Administration of Soochow University with an academic background in financial management and is a female. In the last three terms of the Board (as of March 14, 2023), she attended a total of 71 out of 72 Board meetings in person, with an attendance of 98.61%, and provided many valuable suggestions. It is obvious that she is helpful to the Company's governance and Board diversity, so she is still listed as one of the independent director candidates.

### **■ Zheng, Hui-Bin**

1. Mr. Zheng, Hui-Bin and his spouse do not hold any shares in the Company, have never worked at the Company or any affiliate, and are not related to any managers at the Company and therefore are independent of the Company.
2. Zheng, Hui-Bin is a professor at the Department of Civil Engineering of National Taiwan University and has expertise, experience, and an academic background in construction management. In the last three terms of the Board (as of March 14, 2023), he attended a total of 68 out of 72 Board meetings in person, with an attendance of 94.44%, and provided many valuable suggestions about project management. It is obvious that he is helpful to the Company's construction projects, so he is still listed as one of the independent director candidates.

[Attachment 6]

**Ruentex Engineering & Construction Co., Ltd.**  
**Details of the Non-compete Clause Removed for Director**  
**Candidates**

Name of Director	Concurrent Positions in Another Company, and Name of the Company
Ruentex Development Co., Ltd.	Director of Ruentex Engineering & Construction Co., Ltd. Chairman and Director of Ruentex Construction & Development Co., Ltd. Director of Ruen Chen Investment Holdings Ltd. Chairman and Director of Ruentex Bai-Yi Development co., Ltd. Chairman and Director of Ruentex Innovative Development Co., Ltd. Chairman and Director of Ruen Fu Newlife Corp. Chairman of Shing Yen Construction & Development Co., Ltd. Chairman and Director of Ruentex Xu-Zhan Development co., Ltd. Chairman and Director of Ruentex Property Management & Maintenance Co., Ltd. Chairman and Director of Ruentex Security Co., Ltd.
Yingjia Investment Co., Ltd.	Chairman and Director of Ruentex Development Co., Ltd.
Ruen Hua Dyeing & Weaving Co., Ltd.	Chairman and Director of Chang Quan Investment Co., Ltd. Chairman and Director of Yingjia Investment Co., Ltd Chairman and Director of Sheng Cheng Investment Co., Ltd. Chairman and Director of Huei Hong Investment Co., Ltd.
Huei Hong Investment Co., Ltd.	Chairman and Director of Ruentex Industries Ltd. Director of Ruentex Materials Co., Ltd. Chairman of Ruen Chen Investment Holdings Ltd.

Name of Director	Concurrent Positions in Another Company, and Name of the Company
Ruentex Development Co., Ltd. Representative: Lee, Chih-Hung	Director of Ruentex Construction & Development Co., Ltd. Director of Ruentex Industries Ltd. Director of Ruentex Materials Co., Ltd. Director of Ruentex Bai-Yi Development co., Ltd. Director and President of Ruentex Development Co., Ltd. Director and President of Ruentex Innovative Development Co., Ltd. President of Shing Yen Construction & Development Co., Ltd. Director Representative of Ruentex Xu-Zhan Development co., Ltd.
Yingjia Investment Co., Ltd. Representative: Mo, Wei-Han	Chairman Representative of Ruentex Materials Co., Ltd.
Ruentex Development Co., Ltd. Representative: Chang, Kun-Long	Chairman of Ruen Hua Dyeing & Weaving Co., Ltd. Chairman of Yi Tai Investment Co., Ltd. Chairman of Yingjia Investment Co., Ltd Chairman of Sheng Cheng Investment Co., Ltd. Director of Huei Hong Investment Co., Ltd.
Ruen Hua Dyeing & Weaving Co., Ltd. Representative: Yin, Chung-Yao	Chairman of Nan Shan Life Insurance Co., Ltd. Director of Nan Shan General Insurance Co., Ltd. Director of Ruentex Industries Ltd. Director of Ruentex Development Co., Ltd. Director of Ruen Hua Dyeing & Weaving Co., Ltd. Director of Yi Tai Investment Co., Ltd. Director of Chang Quan Investment Co., Ltd. Director of Ren Ying Industrial Co., Ltd. Director of Ruentex Xing Co. Ltd. Director of Ruentex Leasing Co.,Ltd. Director of Ruentex Materials Co., Ltd. Director of Yingjia Investment Co., Ltd Director of Ruen Chen Investment Holdings Ltd. Director of Sheng Cheng Investment Co., Ltd. Director of Gin-Hong Investment Co., Ltd. Director of Ruentex Xu-Zhan Development co., Ltd.

Name of Director	Concurrent Positions in Another Company, and Name of the Company
Huei Hong Investment Co., Ltd. Representative: Chen, Chih-Chuan	Director of Nan Shan Life Insurance Co., Ltd. Director of Chang Quan Investment Co., Ltd. Vice President of Huei Hong Investment Co., Ltd. Director of Tanvex BioPharma Inc. Director of TaiMed Biologics, Inc. Director and CFO of OBI Pharma, Inc. Chairman of AP Biosciences Inc. Chairman of Obigen Pharma, Inc. Director of Mithra Biotechnology Inc. Director of Mass Solutions Technology Co., Ltd. Director of Do-Intelligent Consulting Inc. Director of Mithra Chemical Analysis Laboratory Inc. Director of Amaran Biotechnology Inc. Director of Cotton Field Organic Co.,Ltd. Director of Brogent Technologies Inc. Director of Mega Growth Venture Capital Co.,Ltd. Director of MIHO International Cosmetic Co.,Ltd. Director of Mirror Vision INC.
Ruentex Development Co., Ltd. Representative: Lin, Chin-Szu	Vice President of Ruentex Development Co., Ltd.
Shen, Xiao-Ling	Independent Director of Joinsoon Electronics Mfg. Co. Ltd.
Lin, Kuo-Feng	Independent Director of TaiMed Biologics, Inc.

# **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 Maintainance 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.

## [Appendix 2]

# **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

- 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 or sign-in cards handed in, plus the number of shares whose voting rights are exercised in a written or electronic form. 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.

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.

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 shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor 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.

Article 9 The chair of a shareholders' meeting shall call the meeting to order at the designated start time. If the shareholders present do not represent a majority of the total shares issued, the chair may postpone the meeting twice at most, and the duration of postponement shall not exceed one hour in total. If the shareholders present after the second postponement, while still not meeting the quorum, represent at least one third of the total shares issued, a tentative resolution may be adopted in accordance with Paragraph 1, Article 175 of the Company Act. 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 Unless the chair gives consent, no shareholder may deliver his/her statement more than twice on the same proposal, and each statement may not be delivered for more than five minutes.

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.

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 Personnel responsible for monitoring and counting the votes on proposals shall be designated by the chair. Any vote monitor shall be a shareholder. The voting result shall be announced on-site, with a record made in this regard.

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.

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

### **Regulations for the Election of Directors**

Established on June 26, 2007

First amendment on May 16, 2012

Second amendment on May 31, 2016

Third amendment on July 19, 2021

- Article 1: Except as otherwise provided by the law or the Articles of Incorporation, the election and election and by-election of the directors of the Company shall be governed by these Regulations.
- Article 2: The election of directors shall be held under a candidate nomination system, where the directors will be elected by the shareholders from a list of candidates.
- Article 3: The election of directors shall be held under a cumulative voting system.
- Article 4: In the process of electing directors at a shareholders' meeting, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates unless otherwise provided for in its Articles of Incorporation.
- Article 5: The number of directors shall be specified in the Articles of Incorporation of the Company, and the voting rights for independent directors and non-independent directors shall be counted separately. The candidates who have received ballots representing the higher numbers of votes will be elected sequentially according to their respective numbers of votes. When two or more candidates have received the same numbers of votes, thus exceeding the specified number of directors, they shall draw lots to determine the winner, with the Chair drawing lots on behalf of any such a candidate not in attendance.
- Article 6: The ballots shall be printed by the Board of Directors of the Company, and distributed to each shareholder based on the number of directors to be elected

(one vote for one person). The number of voting rights specified in each ballot shall be the number of voting rights of the relevant shareholder.

Article 7: Attendance card numbers printed on the ballots may be used instead of the account numbers of voters.

Article 8: When the election starts, the chair shall designate a number of persons as vote monitoring and counting personnel to perform tasks related to the election.

Article 9: A ballot shall be invalid under any of the following circumstances:

1. A ballot printed by a party with the power to convene was not used.
2. The “Candidate” column is left blank.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.
6. The number of voting rights to be cast exceeds that recorded in the shareholder register (converted number of voting rights).
7. Two or more candidates have been written on the ballot.

Article 10: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected and the numbers of votes with which they were elected, shall be announced by the chair on the site.

Article 11: Matters not provided for in these Regulations shall be subject to the Company Act and other applicable laws and regulations.

Article 12: These Regulations and any amendment thereto shall be implemented after they are approved by the shareholders’ meeting.

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

Book Closure Date of the Annual Meeting of Shareholders: April 2, 2023

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 shared 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 27, 2020	3	72,397,456	39.14
Director	Yingjia Investment Co., Ltd. Representative: Mo, Wei-Han	May 27, 2020	3	11,558,690	6.25
Director	Ruen Hua Dyeing & Weaving Co., Ltd. Representative: Yin, Chung-Yao	May 27, 2020	3	3,540,080	1.91
Director	Ruentex Development Co., Ltd. Representative: Chang, Kun-Long	May 27, 2020	3	72,397,456	39.14
Director	Huei Hong Investment Co., Ltd. Representative: Chen, Chih-Chuan	May 27, 2020	3	493,200	0.27
Director	Cao, Sho-Min	May 27, 2020	3	0	0.00

Independent Director	Shen, Xiao-Ling	May 27, 2020	3	0	0.00
Independent Director	Zheng, Hui-Bin	May 27, 2020	3	0	0.00
Independent Director	Lin, Kuo-Feng	May 27, 2020	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: Chairman Lai, Shih-Hsun, representative of the Company, Ruentex Development Co., Ltd., was discharged from his duties on August 1, 2021; Chang, Kun-Long was appointed as the new Chairman. The Board of Directors elected Director Lee, Chih-Hung to be the Chairman on August 1, 2021.

Note 3: The Company set up an Audit Committee in June 22, 2020.