

Stock Code: 5515



CHIEN KUO CONSTRUCTION CO.,LTD.

2024 Annual Shareholders' Meeting

## Meeting Agenda Handbook

Time: 9:00 a.m. June 18, 2024 (Tuesday)

Address: B1F., No. 85, Sec. 4, Roosevelt Rd., Taipei City 106 (GIS NTU Convention Center/Locke Hall)

Convening method: Physical meeting assisted by visual communication network (hybrid)

Visual meeting platform:

Depository company <https://www.stockservices.tdcc.com.tw/evote/index.html>

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**Chapter 1. Meeting Agenda**  
**Chien Kuo Construction Co., Ltd.**  
**2024 Annual Shareholders' Meeting Agenda**

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**Meeting Procedures:**

**I. Report the Attending Shares**

**II. Call Meeting to Order**

**III. Chairman's Address**

**IV. Report Items**

1. The Company's 2023 Business Report.
2. Audit Committee's Audit Report on the 2023 Final Accounting Books.
3. Report on the distribution of compensation to employees and remuneration to directors for 2023.
4. Report on the status of directors' remuneration for 2022.

**V. Ratified Items and Discussion Items**

1. To adopt the Company's 2023 Annual Business Report, Standalone Financial Statements, and Consolidated Financial Statements.
2. To adopt the Company's 2023 Earnings Distribution Proposal.
3. To discuss the implementation of a cash reduction and return of shares.
4. To discuss the amendment to the Company's Articles of Incorporation.
5. To discuss the amendment to the Company's Rules and Procedures of Shareholders' Meeting.

**VI. Election Items**

Elect the 23rd Board of Directors.

**VII. Other Motions**

To dissolve the non-competition clause imposed on new directors and their corporate representatives.

**VIII. Extempore Motion**

**IX. Adjournment**

## **Chapter 2. Report Items**

### **Report Item NO.1.**

Subject: The Company's 2023 Business Report

Explanation:

#### **The Company's 2023 Business Report**

##### **I. Business Strategy**

Chien Kuo Construction Co., Ltd. upholds the core values of “Integrity, Optimization, Well-being and Harmony” and follows a business philosophy of honesty and integrity. The Company aims to create a learning organization with a growth mindset, constantly innovating and developing to meet the demands of the current times. With a united and like-minded team, it achieves outstanding quality, fulfills social responsibilities, and seeks sustainable mutual benefit. Chien Kuo Construction Co., Ltd. has become a new generation construction team that is technology-based, social-cared, and humanistic-aesthetics-oriented.

##### **II. Business Overview**

The Company's 2023 annual consolidated revenue was NT\$4,186,359 thousand, a decrease of 17% compared to 2022, indicating a bottoming-out phase in revenue. Net profit for the current year was NT\$338,513 thousand, reflecting an 84% increase compared to 2022. Earnings per share was NT\$1.34, demonstrating a robust overall profitability. The following is a summary report of the Company's 2023 consolidated business results:

###### **(I) Operational Highlight**

Unit: NT\$ Thousands

Item	2023	2022	Growth
Operating revenue	4,186,359	5,065,701	-17%
Operating costs	3,797,123	4,517,166	-16%
Gross profit	389,236	548,535	-29%
Operating expenses	331,695	293,552	13%
Net operating income (loss)	57,541	254,983	-77%
Non-operating income and expense	337,902	(38,231)	984%
Net profit before tax	395,443	216,752	82%
Net income	338,513	184,115	84%

- ✓ The Company's 2023 non-operating income and expenses increased by 984% compared to 2022. This increase was primarily driven by higher interest on USD deposits and gains from the valuation of financial assets.

## (II) Cash Flows and Profitability Analysis

### 1. Cash Flows

Unit: NT\$ Thousands

Item	Amount
Net cash inflow from operating activities	1,565,023
Net cash outflow from investing activities	(2,014,782)
Net cash outflow from the financing activities	(1,110,892)
Effect of exchange rate changes on cash and cash equivalents	28,765
Cash increase in the current period	(1,531,886)
Cash amount - beginning of the year	3,166,181
Cash amount - end of the year	1,634,295

- ✓ Net cash inflow from operating activities primarily increased due to an increase in cash inflows from contract assets and contract liabilities in the current period.
- ✓ Net cash outflow from investing activities is primarily attributed to the increase in financial assets measured at amortized cost and fair value through profit or loss.
- ✓ Net cash outflow from financing activities is mainly due to the repayment of short-term borrowings and short-term notes payable, as well as the payment of cash dividends.

### 2. Profitability Analysis

Item	2023				
Return on assets	4.3%				
Return on equity	7.1%				
Ratio of paid-in capital	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td>Operating income</td> <td>2.3%</td> </tr> <tr> <td>Income before tax</td> <td>15.7%</td> </tr> </table>	Operating income	2.3%	Income before tax	15.7%
Operating income	2.3%				
Income before tax	15.7%				
Net profit margin	8.1%				
Earnings per share (NT\$)	1.34				

## III. Technology and R&D

The Company continues differentiate ourselves to create value for customers, dividing the R&D roadmap in recent years into three directions: refinement of construction techniques, automation of construction management, and emphasis on low-carbon and energy-efficient buildings. This comprehensive approach aims to enhance the Company's competitiveness within the construction industry. In terms of refining construction techniques, the Company is developing new methods for high-strength reinforced concrete and efficient planning techniques for reinforced steel construction, of which SD550W has been certified, and SD690 is currently in the application process. Additionally, the Company has developed a patented, systemized beam-column structure main reinforcement configuration method, which has been applied in seismic certification cases. A new construction

method for large beams using seismic internal hoop reinforcement has also been developed, aiming at improving construction efficiency. Regarding construction management automation, the Company emphasizes the introduction of ICT (Information and Communication Technology), such as mobilizing and cloud-integrating on-site self-inspection operations, and has developed BIM modeling operations and auxiliary applications for estimating the quantity of mechanical and electrical pipelines. As for low-carbon and energy-efficient construction, the Company promotes the comprehensive use of aluminum formwork construction methods and have obtained certifications for low-carbon construction methods. Furthermore, tools have been developed for low-carbon building assessment and building energy efficiency assessment, facilitating rapid assessment in the design stage and providing low-carbon solutions to customers. In the future, application technologies are expected to develop and be enhanced further with the proposed integration of BIM with low-carbon energy-saving initiatives. This will be done in conjunction with the comprehensive social housing construction project, with the aim of constructing social housing that meets or exceeds the first-level building energy-efficiency certification. As of the end of 2023, the Company possesses a total of 28 utility patents and 9 invention patents. The new construction methods have not only been implemented in the Company's contracted projects, but have also been licensed to several other industry peers, garnering positive feedback.

#### IV. Outlook

This year, inflationary pressures have eased, yet global economic turbulence persists due to geopolitical tensions and a slump in Chinese and European property markets. Taiwan's Government Housing Subsidies for the Youth project launched in the second half of 2023 has spurred demands for essential housing; however, the passing of the Non-self-use House Tax 2.0 policy may lead to a more cautious attitude in the development and construction industry. Thus, outlook for the construction industry in 2024 is cautiously optimistic. The social housing market is experiencing stable growth, with the government's initiative to construct social housing continuing to be its driving force. Orders received in 2023 totaled over NT\$15 billion in 2023, which has provided sufficient momentum for the future operation and development of the Company. Furthermore, Taiwan's construction price index of 2023 shows a slowing trend compared to the previous two years. However, overall construction costs remain high due to the persistent labor shortage, impending carbon taxes, and the expected increase in electricity prices, posing challenges for the Company's future operations.

Looking forward to 2024, ESGs will continue to raise the enterprises' awareness of environmental protection, social responsibility, and corporate governance. The Company, under the guidance of the Sustainable Development Committee, will establish taskforces and implement proactive operations. The Company's Fuxing Public Housing project also received the Gold Quality Award in the 23rd Public Works Awards as the only social housing project in the country to receive this distinction. The

Company has received this award for four consecutive years, and shall continue with our initial resolve, seizing opportunities to build high-quality social housing. Moreover, the aluminum formwork construction method will continue to be utilized to replace traditional formwork, reducing carbon emissions; migrant workers will also be incorporated to address labor shortages in technical positions. The Company maintains the balance between residential, commercial, and public construction projects, placing focus on diversifying products and ensuring more stable operations. We also focus on project automation and project management information services with our construction experience and emerging technologies to continue our efforts toward sustainable management.

Chairman: Chang-shiou WU

Manager: Mao-sheng KAN

Accounting Manager: Ling-ju LIN

## **Report Item NO.2.**

Subject: Audit Committee's Audit Report on the 2023 Final Accounting Books.

Explanation:

- I. The Board of Directors has prepared the 2023 Financial Statements in accordance with Article 228 of the Company Act. Such Financial Statements have been audited and certified by Deloitte & Touche Taiwan. The Financial Statements, along with the Business Report and Earnings Distribution Proposal, have been submitted to and audited by the Audit Committee.
- II. Request members of the Audit Committee to read out the Audit Report.

### **Chien Kuo Construction Co., Ltd. Audit Committee Review Report**

Both the 2023 Standalone Financial Statements and the 2023 Consolidated Financial Statements prepared and submitted by the Board of Directors have been audited by CPA Li-chun CHANG and CPA Wen-chin LIN of Deloitte & Touche Taiwan, and the CPAs have issued an unqualified opinion for the said financial statements. Such two Financial Statements, the Business Report, and the Earnings Distribution Proposals have been reviewed by the Audit Committee, who, after the review, does not believe that there are any non-conformities. Therefore, pursuant to relevant requirements of the Securities and Exchange Act and the Company Act, we hereby submit this report.

To

2024 Annual Shareholders' Meeting

Chien Kuo Construction Co., Ltd.

Convener of the Audit Committee:  
Chin-pao TSAI

March 15, 2024

## **Report Item NO.3.**

Subject: Report on the distribution of compensation to employees and remuneration to directors for 2023.

Explanation:

- I. Pursuant to Article 23 of the Articles of Incorporation, the Company shall appropriate 0.1% to 3% of its pre-tax income (before compensations to employees and remunerations to directors are deducted) as employee compensations, and no greater than 3% of such pre-tax income as remuneration to directors.
- II. It is proposed to allocate 3% of the pre-tax income (before netting off the amount of compensation to employees and remuneration to directors) as employee compensation equal to NT\$12,522 thousand paid in quota in cash according to the employees' annual individual performance basis of the Company.
- III. It is proposed to allocate 3% of the pre-tax income (before netting off the amount of compensation to employees and remuneration to directors) as directors' compensation equal to NT\$12,522 thousand paid in cash in accordance with the Company's Regulations Governing Allocation and Payment of Remuneration to Directors.

## **Report Item NO.4.**

Subject: Report on the status of directors' remuneration for 2023.

Explanation:

- I. The Company's policy, system, standards and structure for the remuneration of directors, and the correlation between the amount of remuneration and the responsibilities, risks and time commitment in accordance with the law:
  1. In accordance with Article 18-1 of the Company's Articles of Incorporation, the remuneration of the Company's directors is authorized to be set by the Board of Directors in accordance with the extent of the directors' participation in the Company's operations and the usual standards in the industry.
  2. Article 23 of the Company's Articles of Incorporation also stipulates that no more than 3% of the pre-tax, employee and director's remuneration for the final year shall be used as directors' remuneration. In accordance with the "Regulations Governing the Payment and Distribution of Directors' Remuneration", the proportion of directors' remuneration is determined based on the value of each director's participation in and contribution to the Company's operations in the final year (independent directors do not participate in the remuneration distribution), and the weighting of each director's position.
- II. Please refer to pages 14~15 of this Board of Directors' Manual for a detailed breakdown of directors' remuneration (Attachment I).

## **Chapter 3. Ratified Items and Discussion Items**

### **Proposal NO.1**

### **Proposed by the Board of Directors**

Subject: To adopt the Company's 2023 Annual Business Report, Standalone Financial Statements, and Consolidated Financial Statements.

Explanation:

- I. The Company's 2022 Annual Business Report, Standalone Financial Statements, and Consolidated Financial Statements have been prepared; for the Standalone Financial Statements and Consolidated Financial Statements with the seals affixed by the Chairman, managers, and chief auditors, please see Attachment II on pages 16 to 34 of the Meeting Agenda Handbook.
- II. The aforementioned Standalone Financial Statements and Consolidated Financial Statements have been audited by CPA Li-chun CHANG and CPA Wen-chin LIN of Deloitte & Touche Taiwan, who have then issued an audit report with an unqualified opinion.
- III. The various final accounting books are submitted to the Audit Committee for review, and it is considered that there is no discrepancy.
- IV. We hereby submit the above statements, reports and books for adoption.
- V. For the Annual Business Report, please refer to pages 2 to 5 of the Meeting Agenda Handbook.

Resolution:

### **Proposal NO.2**

### **Proposed by the Board of Directors**

Subject: To adopt the Company's 2023 Earnings Distribution Proposal.

Explanation:

- I. The Financial Statements of the Company for 2023 have been audited by Deloitte & Touche Taiwan. The beginning balance of undistributed earnings was NT\$839,232,104; the net income after tax (NIAT) for the year was NT\$338,513,923, and the remeasurement of the defined benefit plan for the current year recognized under retained earnings amounted NT\$311,770. The amount of net profit after tax for the period plus items other than net profit after tax for the period included in the undistributed earnings of the year totaled NT\$338,825,693. The provision of legal reserve in the amount of was NT\$(33,882,569) and the distributable earnings for the year in the amount of NT\$1,144,175,228 is to be distributed in accordance with the requirements of the Articles of Incorporation.
- II. The 2023 Earnings Distribution Proposal is to distribute to shareholders the cash dividends in the amount of NT\$252,000,105, or, NT\$1.0 per share (priority of distribution is given to the earnings of the most recent year, rounded down to NT\$1; Any fractional amount below NT\$1 is recognized as the Company's other revenue).

III. The Company's 2023 Earnings Distribution Proposal is presented in the following table:

**Chien Kuo Construction Co., Ltd.  
2023 Earnings Distribution Table**

Unit: NT\$

Item	Amount
Undistributed earnings - beginning	839,232,104
Profit after tax for the year	338,513,923
Remeasurement of defined benefit plans recognized under retained earnings	311,770
Amount of net profit after tax for the period plus items other than net profit after tax for the period included in the undistributed earnings of the year	338,825,693
Provision of legal reserve (10%)	(33,882,569)
Distributable earnings - ending	1,144,175,228
Distribution items	
Dividends to shareholders at NT\$1 per share	(252,000,105)
Undistributed earnings - ending	892,175,123

Chairman: Chang-shiou WU

Manager: Mao-sheng KAN

Accounting Manager: Ling-ju LIN

IV. It is proposed that the Shareholders' Meeting delegates full discretionary power to the chairperson in case a change in the dividend distribution rate for all outstanding shares incurs on the Company's dividend distribution date as a result of either repurchase back of the Company's shares, transfer or retirement of treasury shares, conversion of convertible corporate bonds, exercise of employee stock option certificates, or any other reasons.

V. After the adoption of the proposal by the Shareholders' Meeting, the chairman is authorized to set a separate ex-dividend date, distribution date, and other related matters.

VI. We hereby submit for adoption.

Resolution:

### **Proposal NO.3**

### **Proposed by the Board of Directors**

Subject: To discuss the implementation of a cash reduction and return of shares.

Explanation:

- I. The implementation of a cash reduction and return of shareholder capital is proposed to enhance the return on equity for shareholders.
- II. A cash capital reduction of 20% is proposed, to cancel 50,400,021 shares, and to return a capital of NT\$504,000,210 to shareholders. After the capital reduction, the new registered capital shall be NT\$2,016,000,840, and the number of ordinary shares listed shall be 201,600,084 shares.
- III. Based on the total number of shares issued previously, it is estimated that for every thousand shares, 200 will be reduced (i.e., 800 shares will be reissued for every thousand shares). According to the reference date for capital reduction and share re-issuance, the reduction in capital shall be calculated based on the shares held as recorded in the shareholders' register. The entire reduced capital shall be returned to the shareholders in cash according to their respective shareholding proportions, calculated to the nearest dollar (amounts less than NT\$1 will be disregarded).
- IV. New shares issued in this cash reduction shall be issued in electronic form, having the same rights and obligations as the original shares. After the capital reduction, for fractional shares that do not make up a full share, shareholders may register with the Company's shareholder services agency to consolidate them into whole shares within five days before the stop-transfer date for the capital reduction. For the remaining fractional shares that still do not constitute a full share after consolidation, they shall be cashed out to the shareholders at the nominal value of the stock, calculated to the nearest dollar (amounts less than NT\$1 will be disregarded). The Chairman is authorized to negotiate with specific individuals to purchase these fractional shares at their nominal value. As the Company's stocks are legally issued in a non-physical form and in coordination with the centralized custody operations of the securities depository, the funds for fractional shares that do not make up a full share shall be used to handle the non-physical allocation and other necessary expenses.
- V. Once the proposal has been reviewed and approved at the 2024 shareholders' meeting and reported to competent authority for validation, the Chairman shall be authorized by the shareholders' meeting to determine the dates for capital reduction and the re-issuance of shares, among other relevant operational matters. Prior to the reference date for the cash reduction, if changes in the Company's capital stock affect the number of shares in circulation, necessitating an adjustment to the capital reduction ratio and the amount returned per share, or if this proposal requires amendment due to legislative revisions, approval by the regulatory authority, or in response to other objective environmental changes, authorization from the shareholders' meeting should be required for the Chairman to handle it with full authority.
- VI. Please discuss.

Resolution:

**Proposal NO.4****Proposed by the Board of Directors**

Subject: To discuss the amendment to the Company's Articles of Incorporation

Explanation:

- I. A portion of the company's Articles of Incorporation have been amended according to the revised provisions of "Regulations Governing the Administration of Shareholder Services of Public Companies" and the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers". Please refer to Attachment III on page 35 of this handbook for the comparison table of the amended provisions.

- II. Please discuss.

Resolution:

**Proposal NO.5****Proposed by the Board of Directors**

Subject: To discuss the amendment to the Company's Rules and Procedures of Shareholders' Meeting.

Explanation:

- I. In compliance with the reference example set forth by competent authority, "XXX Co., Ltd. Rules and Procedures of Shareholders' Meetings", the Company has made revisions to specific articles of the "Rules and Procedures of Shareholders' Meeting". Please refer to Attachment IV on page 36 of this handbook for the comparison table.

- II. Please discuss.

Resolution:

## **Chapter 4. Election Items**

Subject: Elect the 23rd Board of Directors.

**Proposed by the Board of Directors**

Explanation:

- I. The term of office for the 22nd Board of Directors and Independent Directors of the Company will expire on July 21, 2024. The election of directors shall be convened in accordance with relevant provisions of the Company Act and in conjunction with the 2024 Shareholders' Meeting.
- II. The Company resolved in the Board meeting on March 13, 2024 to elect nine directors, including three independent directors, at this year's annual shareholders' meeting.
- III. Newly elected directors shall assume office following the conclusion of the 2024 Annual Shareholders' Meeting and shall serve from June 18, 2024 to June 17, 2027, with the possibility of consecutive re-elections.
- IV. The list of director and independent director candidates was reviewed and approved on May 8, 2024 by the Board of Directors. Please refer to pages 37-39 of this handbook (Attachment V) for details.

Submitted for Election:

## **Chapter 5. Other Motions**

### **Proposal NO.1**

### **Proposed by the Board of Directors**

Subject: To discuss the dissolving the non-competition clause imposed on new directors and their corporate representatives.

Explanation:

- I. According to Article 209 of the Company Act, directors “who does anything for himself or on behalf of another person that is within the scope of the company’s business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval”.
- II. Newly appointed directors, including corporate directors and their representatives, may have investments, be involved in the operation of other companies that are similar or related to the Company’s business, and may also serve as directors or managers. In accordance with the law, we hereby request the shareholders’ meeting to agree that if the newly appointed directors, including corporate directors and their representatives, undergo these circumstances, the lifting of the competition restrictions shall be approved.
- III. Please discuss.

Resolution:

## **Chapter 6. Extempore Motion**

## **Chapter 7. Adjournment**

## **Chapter 8. Attachments**

## Schedule of Directors' Remuneration:

Title	Name	Remuneration to Directors				Ratio of the total of 4 items A, B, C and D to net income after taxes (Note 10)	Relevant Remuneration Received by a Director Who is Also an Employee of the Company				Total of (A+B+C+D+E+F+G) and as a % of Net Income (Note 8)	Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or the Parent Company (Note 9)										
		Base Compensation (A) (Note 2)		Pension (B)	Remuneration to Directors (C) (Note 3)		Salary, Bonus, and Allowance (E) (Note 5)	Severance Pay (F)	Employee's compensation (G) (Note 6)													
		The Company	From companies in the consolidated financial statements (Note 7)	The Company	From companies in the consolidated financial statements (Note 7)	The Company	From companies in the consolidated financial statements (Note 7)	The Company	From companies in the consolidated financial statements (Note 7)	The Company	From companies in the consolidated financial statements (Note 7)	Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock							
Chairman	Chien Hwei Investment Co., Ltd. Representative: Chang-shiou WU	600	600	-	-	1,249	1,249	14	14	1,863 0.55%	1,863 0.55%	13,351	13,351	-	-	8	-	8	-	15,222 4.50%	15,222 4.50%	-
Vice Chairperson:	Chi-te CHEN	0	0	-	-	933	933	14	14	947 0.28%	947 0.28%	-	-	-	-	-	-	-	-	947 0.28%	947 0.28%	-
Directors	Pang-yen YANG	240	240	-	-	624	624	14	14	878 0.26%	878 0.26%	-	-	-	-	-	-	-	-	878 0.26%	878 0.26%	-
Juristic-person Director	Chien Hsiang Investment Co., Ltd. Representative: Jui-hsing TSAI	240	240	-	-	624	624	14	14	878 0.26%	878 0.26%	-	-	-	-	-	-	-	-	878 0.26%	878 0.26%	-
Directors	Tzu-chiang YANG	240	240	-	-	624	624	14	14	878 0.26%	878 0.26%	-	-	-	-	-	-	-	-	878 0.26%	878 0.26%	-
Juristic-person Director	Chien Hwei Investment Co., Ltd. Representative: Pai-tso SUN	240	240	-	-	624	624	14	14	878 0.26%	878 0.26%	4,182	4,182	-	-	8	-	8	-	5,068 1.50%	5,068 1.50%	-
Directors	Chung CHENG	240	240	-	-	624	624	14	14	878 0.26%	878 0.26%	-	-	-	-	-	-	-	-	878 0.26%	878 0.26%	-
Directors	Chu-hsin LEE	240	240	-	-	624	624	14	14	878 0.26%	878 0.26%	-	-	-	-	-	-	-	-	878 0.26%	878 0.26%	-
Directors	Yu-jui CHANG	240	240	-	-	624	624	14	14	878 0.26%	878 0.26%	-	-	-	-	-	-	-	-	878 0.26%	878 0.26%	-
Directors	Chi-hsin CHEN	240	240	-	-	624	624	14	14	878 0.26%	878 0.26%	-	-	-	-	-	-	-	-	878 0.26%	878 0.26%	-
Independent Director	Chin-pao TSAI	960	960	-	-	-	-	30	30	990 0.29%	990 0.29%	-	-	-	-	-	-	-	-	990 0.29%	990 0.29%	-
Independent Director	Chen-yu FENG	960	960	-	-	-	-	30	30	990 0.29%	990 0.29%	-	-	-	-	-	-	-	-	990 0.29%	990 0.29%	-
Independent Director	Li-hsing I	960	960	-	-	-	-	30	30	990 0.29%	990 0.29%	-	-	-	-	-	-	-	-	990 0.29%	990 0.29%	-

1. Please state the policies, systems, standards, and structure of independent directors' remuneration payment, and describe the relevance to the amount of remuneration according to their responsibilities, risks, and time of investment:  
The Regulations Governing Allocation and Payment of Remuneration to Directors was the basis for evaluation.

2. Except as disclosed in the above chart, remuneration to directors received due to the service provided to all companies listed in the financial statement in the most recent year: None.

Note 1: The name of directors shall be listed separately (for corporate shareholders, the names of such corporate shareholders and their representatives shall be listed separately), with their titles (Director or Independent Director) being listed separately, and the various payments shall be disclosed in aggregate.

Note 2: Refereed to the remuneration paid to directors in 2023 (including their salaries, duty allowance, severance payments, bonuses, and performance rewards).

Note 3: The remuneration paid to directors in 2023 was NT\$12,522 thousand as resolved by the Company's Board Meeting on March 13, 2024; such amount for distribution was estimated in accordance with the Company's Regulations Governing Allocation and Payment of Remuneration to Directors. The total amount of directors' remuneration for 2023, including the amount to be paid by the corporate directors in 2022 (NT\$1,873 thousand for Chien Hwei Investment Co., Ltd. and NT\$624 thousand for Chien Hsiang Investment Co., Ltd., not to the representatives), is NT\$7,178 thousand.

Note 4: Business expenses paid out to directors in 2023 (including transport, special expenses, various allowances, accommodation, vehicles, and provision of physical goods such as cars). In the case of the provision of housing, motor vehicles and other means of transport or exclusive individual expenses, the nature and cost of the assets provided, the actual lease payment or lease payment measured at fair market value, oil and other payments shall be disclosed. Excluding the company car and driver provided by the Company totaled NT\$3,639 thousand.

Note 5: Referred to the remuneration paid to directors in 2023 who simultaneously held another position in the Company (as a General Manager, Vice General Manager, manager, or an employee), including salaries, duty allowances, severance payments, bonuses, performance rewards, transport fees, special expenses, various allowances, accommodation, and provision of physical items such as a car. In the case of the provision of housing, motor vehicles and other means of transport or exclusive individual expenses, the nature and cost of the assets provided, the actual lease payment or lease payment measured at fair market value, oil and other payments shall be disclosed. Excluding the company car and driver provided by the Company totaled NT\$1,489 thousand. The salary expenses recognized in accordance with IFRS 2 "Share-based Payment", including acquisition of employee stock option certificates and restricted stock awards (RSA), and participation in subscription of new shares in a capital increase by cash, shall also be accounted for as remuneration.

Note 6: Referred to the employee compensation (including cash and stock) received by a director who simultaneously held another position in the Company (as a general manager, vice general manager, manager, and an employee) for 2023, disclose the amount of remuneration distributed to employees after being approved by the Board for the past year. For amounts that are unable to estimate, propose the distribution amount for the year based on the actual distribution made last year.

Note 7: Total remuneration in various items paid out to the Company's directors by all companies (including the Company) listed in the consolidated statements shall be disclosed.

Note 8: The Company's net income for 2023 was NT\$338,513 thousand; for those who have adopted IFRS, the term "net income" denotes the net income as stated on the standalone/individual financial statements for the most recent annual period.

Note 9:

- Compensations received by the directors from other non-subsidiary companies invested by the Company or the parent company shall be disclosed in this column.
- Where a director has received compensation from an investee other than the Company's subsidiaries or the parent company, such remuneration shall be consolidated into column I of the Table of Remuneration Range, which column shall then be changed to the title of "Parent Company and All Reinvestment."
- Remuneration denotes the rewards, compensation (including compensation for an employee, a director and a supervisor) and related remuneration in connection with business expenses that are paid to one of the Company's directors who serves as a director, supervisor or manager for an investee other than the Company's subsidiaries or the parent company.

## Independent Auditors' Report

To: The Board of Directors and shareholders of Chien Kuo Construction Co., Ltd.

### **Audit Opinions**

We have audited the Consolidated Balance Sheets of Chien Kuo Construction Co., Ltd. and its subsidiaries as of December 31, 2023 and 2022, the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including the Summary of Significant Accounting Policies) for the annual period from January 1 to December 31, 2023 and 2022.

In our opinion, the aforementioned Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of Chien Kuo Construction Co., Ltd. and its subsidiaries as of December 31, 2023 and between January 1 and December 31, 2022, and its consolidated financial performance and consolidated cash flows for the annual periods ended December 31, 2023 and 2022 in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and effected by the Financial Supervisory Commission.

### **Basis for Audit Opinion**

We conducted our audit of the financial statements in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants," and the auditing standards. Our responsibility under the above mentioned regulations will be further explained in the section titled "The Accountants' Responsibility in Auditing the Consolidated Financial Statements." We have stayed independent from Chien Kuo Construction Co., Ltd. as required by The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled other responsibilities as stipulated by the Norm. We believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 consolidated financial statements of Chien Kuo Construction Co., Ltd. and its subsidiaries. These matters were addressed in the context of our audit of the 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 consolidated financial statements of Chien Kuo Construction Co., Ltd. and its subsidiaries for 2023 are stated as follows:

#### Construction contracts

The operating revenue of Chien Kuo Construction Co., Ltd. is primarily derived from construction revenue, which is recognized in cost based input method by the management in accordance with IFRS 15 "Revenue from Contracts with Customers." Since the percentage of completion is calculated as the ratio of costs input to the total estimated contract costs, the total estimated construction contract costs are a key factor in calculating the percentage of cost input. As estimated costs and contractual activities are evaluated and judged by the management based on the nature of the different construction projects, the estimated amount of the contract, the duration of construction, the undertaking of construction and the construction methods, and they are prone to influence from changes in commodity prices, labor prices and construction items due to long duration of construction contracts. Any significant changes in estimates, once occurred, may lead to a revenue recognized in accordance with the percentage of completion method either consisting of errors, or having significant influence on the misstatement of the financial statements. Consequently, the estimates of the total costs of the construction contracts are deemed a key audit matter.

The CPAs performs the following key audit procedures regarding the aforementioned matters:

1. Please familiarize yourself with the process of estimating the total cost of long-term construction contracts at the management level.
2. examining the construction documents, that the management used as evidence for estimating the total costs of construction contracts, in order to assess comprehensively the completeness and reasonableness of the estimates of total costs of long term construction contracts;
3. reviewing whether there are significant adjustments to the estimated total cost of construction contracts after the period;
4. analyzing changes in revenue, costs and gross profit for each project.

For information about construction contracts, please refer to Note XXII.

### **Other Matters**

Chien Kuo Construction Co., Ltd. has also compiled Financial Statements for 2023 and 2022, and they have also received an unqualified audit opinion from our CPA for your reference.

### **Responsibility of the Management and the Governing Body for the Consolidated Financial Statements**

It is the management's responsibility to fairly present the Consolidated Financial Statements in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission, and to maintain internal controls which are necessary for the preparation of the Consolidated Financial Statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the Consolidated Financial Statements, the responsibility of management includes assessing the ability of Chien Kuo Construction Co., Ltd. and its subsidiaries to continue as going concerns, disclosing related matters, as well as adopting the going concern basis of accounting, unless the management intends to liquidate Chien Kuo Construction Co., Ltd. and its subsidiaries or terminate the business, or no practicable measure other than liquidation or termination of the business can be taken.

The governing bodies of Chien Kuo Construction Co., Ltd. and its subsidiaries (including the Audit Committee) have the responsibility to oversee the process by which the financial statements are prepared.

### **The Accountants' Responsibility in Auditing the 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 includes our opinion. "Reasonable assurance" refers to high level of assurance. Nevertheless, our audit, which was carried out in accordance with the auditing standards, does not guarantee that a material misstatement(s) will be detected in the Consolidated Financial Statements. Misstatements may result from fraud or errors. The misstated amounts are material if they could, individually or collectively, be reasonably anticipated to influence the economic decisions of users taken on the basis of the consolidated financial statements.

We have utilized our professional judgment and maintained professional skepticism when exercising auditing work in accordance with auditing standards. We have also:

1. Identified and assessed the risks of a material misstatement(s) due to fraud or errors in the Consolidated Financial Statements; designed and carried out appropriate countermeasures against the assessed risks; and obtained sufficient and appropriate audit evidence to provide the basis for audit opinion. As fraud may involve collusion, forgery, deliberate omissions, false statements, or overrides of internal controls, the risk of an undetected material misstatement due to fraud is greater than that due to errors.
2. Acquired necessary understanding of internal controls pertaining to the audit in order to develop audit procedures appropriate under the circumstances. Nevertheless, the purpose of such understanding is not to provide any opinion on the effectiveness of the internal controls of Chien Kuo Construction Co., Ltd. and its subsidiaries.
3. Assessed the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Concluded, based on the audit evidence acquired, on the appropriateness of the management's use of the going concern basis of accounting, and determined whether a material uncertainty exists where events or conditions that might cast significant doubt on the ability of Chien Kuo Construction Co., Ltd. and its subsidiaries to continue as going concerns. If we believe there are events or conditions indicating the existence of a material uncertainty, we are required to remind the users of the Consolidated Financial Statements in our audit report of the relevant disclosures therein, or to amend our audit opinion when any inappropriate disclosure was found. Our conclusion is based on the audit evidence acquired as of the date of the audit report. However, future events or conditions may cause Chien Kuo Construction Co., Ltd. and its subsidiaries to cease to continue as a going concern.
5. Assessed the overall presentation, structure and content of the Consolidated Financial Statements (including the related notes), and determined whether the Consolidated Financial Statements present fairly the related transactions and events.
6. Acquired sufficient and appropriate audit evidence regarding financial information of entities within Chien Kuo Construction Co., Ltd. and its subsidiaries in order to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion on Chien Kuo Construction Co., Ltd. and its subsidiaries.

We communicated 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 identified during our audit.

We also provided governing bodies with a declaration that we had complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and communicated with them all relationships and other matters that might possibly be deemed to impair our independence (including relevant preventive measures).

From the matters communicated with those charged with governance, we determined the key audit matters of the consolidated financial statements of Chien Kuo Construction Co., Ltd. and its subsidiaries of 2023. Such matters have been explicitly stated in our audit report, unless laws or regulations prevent their disclosures, or, in extremely rare cases, we decided not to communicate such matters in our audit report in consideration that the adverse impacts of such communication could be reasonably expected to be greater than the public interest it would promote.

Deloitte Taiwan  
CPA: Li-Chun CHANG

CPA: Wen-Chin LIN

Financial Supervisory Commission  
Approval Document No.:  
FSC Approval Document No. 1100356048

Securities and Futures Bureau Approval  
Document No.:  
Tai-Cai-Zheng-6 No. 0920123784

March 13, 2024

#### Notes to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.*

*The independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

Chien Kuo Construction Co., Ltd. and Subsidiaries  
Consolidated Balance Sheets  
December 31, 2023, December 31, 2022, and January 1, 2022

Unit: NT\$ Thousands

Code	Assets	December 31, 2023		December 31, 2022		January 1, 2022 (Revised)	
		Amount	%	Amount	%	Amount	%
1100	Cash and cash equivalents (Note VI)	\$ 1,634,295	20	\$ 3,166,181	44	\$ 2,571,233	31
1110	Financial assets measured at fair value through profit or loss (Note VII)	1,774,481	22	880,330	11	1,830,044	22
1120	Financial assets at fair value through other comprehensive income (Note VIII)	21,655	-	19,392	-	23,126	-
1136	Financial assets measured at amortized cost (Note IX)	1,577,619	19	231,914	-	455,962	5
1140	Contract assets (Note XXII)	938,706	12	1,584,729	20	1,622,095	20
1150	Notes receivable (Note X)	156	-	-	-	34,536	-
1170	Accounts receivable (Notes X and XXII)	291,615	4	110,519	2	241,362	3
1200	Other receivables	76,903	1	25,122	-	27,817	-
1220	Current tax assets	132,644	2	130,217	2	110,984	1
1323	Inventories (for construction business) (Notes XI and XXX)	2,502	-	467,688	6	465,926	6
1410	Prepayments (Note XII)	129,937	2	163,274	2	119,411	2
1470	Other current assets	4,851	-	72,327	1	11,518	-
11XX	Total current assets	<u>6,585,364</u>	<u>82</u>	<u>6,851,693</u>	<u>88</u>	<u>7,514,014</u>	<u>90</u>
Non-current assets							
1510	Financial assets measured at fair value through profit or loss (Note VII)	219,477	3	168,529	2	88,042	1
1517	Financial assets at fair value through other comprehensive income (Notes VIII and XXX)	370,478	5	348,388	5	525,553	6
1535	Financial assets at amortized cost (Notes IX and XXX)	100,834	1	70,050	1	-	-
1550	Investments accounted for using equity method (Note XIV)	48,642	1	48,780	1	-	-
1600	Property, plant and equipment (Note XV)	95,821	1	123,395	2	33,847	1
1755	Right-of-use assets (Note XVI)	41,208	-	13,894	-	23,284	-
1760	Investment properties (Notes XVII and XXX)	566,426	7	101,493	1	102,487	1
1780	Intangible assets	10,606	-	7,017	-	2,391	-
1840	Deferred tax assets (Note XXIV)	37,828	-	19,839	-	25,552	-
1990	Other non-current assets (Note XX and XXX)	<u>15,927</u>	<u>-</u>	<u>33,703</u>	<u>-</u>	<u>29,900</u>	<u>1</u>
15XX	Total non-current assets	<u>1,507,247</u>	<u>18</u>	<u>935,088</u>	<u>12</u>	<u>831,056</u>	<u>10</u>
1XXX	Total assets	<u>\$ 8,092,611</u>	<u>100</u>	<u>\$ 7,786,781</u>	<u>100</u>	<u>\$ 8,345,070</u>	<u>100</u>
Code	Liabilities and Equity						
Current liabilities							
2100	Short-term loans (Note XVIII)	\$ -	-	\$ 500,000	6	\$ 200,000	2
2110	Short-term bills payable (Note XVIII)	-	-	349,787	5	-	-
2130	Contract liabilities (Note XXII)	801,917	10	28,885	-	287,695	3
2150	Notes payable	-	-	-	-	38,137	1
2170	Accounts payable (Note XIX)	1,242,538	15	1,254,433	16	1,649,752	20
2200	Other payables	203,608	3	175,157	2	281,237	3
2230	Current tax liabilities	48,685	1	32,837	1	52,091	1
2250	Provision for liabilities - current (Note XXII)	135,217	2	45,390	1	46,667	1
2320	Current portion of long-term loans	-	-	-	-	499,862	6
2399	Other current liabilities (Note XI and XVI)	<u>131,818</u>	<u>1</u>	<u>15,722</u>	<u>-</u>	<u>18,312</u>	<u>-</u>
21XX	Total current liabilities	<u>2,563,783</u>	<u>32</u>	<u>2,402,211</u>	<u>31</u>	<u>3,073,753</u>	<u>37</u>
Non-current liabilities							
2570	Deferred tax Liabilities (Note XXIV)	537,026	7	537,267	7	486,280	6
2600	Other current liabilities (Note XVI)	<u>142,048</u>	<u>1</u>	<u>106,455</u>	<u>1</u>	<u>82,459</u>	<u>1</u>
25XX	Total non-current liabilities	<u>679,074</u>	<u>8</u>	<u>643,722</u>	<u>8</u>	<u>568,739</u>	<u>7</u>
2XXX	Total liabilities	<u>3,242,857</u>	<u>40</u>	<u>3,045,933</u>	<u>39</u>	<u>3,642,492</u>	<u>44</u>
Equity (Note XXI)							
Capital							
3110	Common stock	<u>2,520,001</u>	<u>31</u>	<u>2,520,001</u>	<u>32</u>	<u>2,574,401</u>	<u>31</u>
3200	Additional paid-in capital	<u>187,308</u>	<u>2</u>	<u>187,308</u>	<u>3</u>	<u>204,852</u>	<u>2</u>
Retained Earnings							
3310	Legal reserve	744,264	9	724,858	10	682,772	8
3320	Special reserve	11,397	-	11,397	-	46,790	1
3350	Unappropriated earnings	<u>1,178,059</u>	<u>15</u>	<u>1,110,640</u>	<u>14</u>	<u>1,181,539</u>	<u>14</u>
3300	Total retained earnings	<u>1,933,720</u>	<u>24</u>	<u>1,846,895</u>	<u>24</u>	<u>1,911,101</u>	<u>23</u>
3400	Other equity	<u>208,725</u>	<u>3</u>	<u>186,644</u>	<u>2</u>	<u>12,224</u>	<u>-</u>
3XXX	Total equity	<u>4,849,754</u>	<u>60</u>	<u>4,740,848</u>	<u>61</u>	<u>4,702,578</u>	<u>56</u>
Total liabilities and equity							
		<u>\$ 8,092,611</u>	<u>100</u>	<u>\$ 7,786,781</u>	<u>100</u>	<u>\$ 8,345,070</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Chang-shiou WU

Managerial Officer: Mao-sheng KAN

Accounting Manager: Lin-Ju LIN

Chien Kuo Construction Co., Ltd. and Subsidiaries  
 Consolidated Statements of Comprehensive Income  
 From January 1 to December 31, 2023 and 2022  
 Unit: NT\$ Thousands, except for Earnings per share (in Dollars)

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Note XXII)	\$ 4,186,359	100	\$ 5,065,701	100
5000	Operating costs (Notes XXIII and XXIX)	<u>3,797,123</u>	<u>91</u>	<u>4,517,166</u>	<u>89</u>
5900	Gross profit	<u>389,236</u>	<u>9</u>	<u>548,535</u>	<u>11</u>
	Operating expenses (Notes XXIII and XXIX)				
6200	General and administrative expenses	342,295	8	315,334	6
6450	Reversal of expected credit loss	( <u>10,600</u> )	<u>-</u>	( <u>21,782</u> )	<u>-</u>
6000	Total operating expenses	<u>331,695</u>	<u>8</u>	<u>293,552</u>	<u>6</u>
6900	Net operating income	<u>57,541</u>	<u>1</u>	<u>254,983</u>	<u>5</u>
	Non-operating income and expenses (Notes XIV, XXIII and XXIX)				
7010	Other income	164,507	4	88,419	1
7020	Other gains and losses	181,680	4	( <u>114,223</u> )	( <u>2</u> )
7050	Finance costs	( <u>8,147</u> )	<u>-</u>	( <u>12,207</u> )	<u>-</u>
7060	Shares of profits or loss of associates accounted for using equity method	( <u>138</u> )	<u>-</u>	( <u>220</u> )	<u>-</u>
7000	Total non-operating income and expenses	<u>337,902</u>	<u>8</u>	( <u>38,231</u> )	( <u>1</u> )
7900	Income before income tax	395,443	9	216,752	4
7950	Income tax expense (Note XXIV)	<u>56,930</u>	<u>1</u>	<u>32,637</u>	<u>1</u>
8200	Net income	<u>338,513</u>	<u>8</u>	<u>184,115</u>	<u>3</u>

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Code	Description	2023		2022	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note XX)	\$ 390	-	\$ 3,428	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	24,353	1	( 90,288)	( 2)
8349	Income tax related to items that will not be reclassified subsequently to profit or loss (Note XXIV)	( 78)	-	( 686)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations	( 2,840)		344,404	7
8399	Income tax related to items that will be reclassified subsequently to profit or loss (Note XXIV)	568		( 68,881)	( 1)
8300	Other comprehensive income or loss (after tax)	22,393	1	187,977	4
8500	Total comprehensive income	\$ 360,906	9	\$ 372,092	7
	Earnings per share (Note XXV)				
9750	Basic	\$ 1.34		\$ 0.72	
9850	Diluted	\$ 1.34		\$ 0.72	

The accompanying notes are an integral part of the consolidated financial statements.

Chien Kuo Construction Co., Ltd. and Subsidiaries  
 Consolidated Statements of Changes in Equity  
 From January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands, except for Dividends per share (in Dollars)

Code		Retained Earnings						Other equity			
		Capital	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated earnings	foreign operations	Unrealized Gain or Loss on Financial Assets at Fair Value through Other Comprehensive Income	Total	Treasury stock	Total equity
Z1	Balance as of January 1, 2022	\$ 2,574,401	\$ 204,852	\$ 682,772	\$ 46,790	\$ 1,181,539	(\$ 207,603)	\$ 219,827	\$ 12,224	\$ -	\$ 4,702,578
Appropriation and distribution of retained earnings for 2021											
B1	Provision of legal reserve	-	-	42,086	-	( 42,086 )	-	-	-	-	-
B3	Reversal of special reserve	-	-	-	( 34,566 )	34,566	-	-	-	-	-
B5	Cash dividends appropriated to shareholders - NT\$1.02 per share	-	-	-	-	( 257,440 )	-	-	-	-	( 257,440 )
B17	Reversal of special reserve due to disposal of subsidiaries	-	-	-	( 827 )	827	-	-	-	-	-
D1	Net income for 2022	-	-	-	-	184,115	-	-	-	-	184,115
D3	Other comprehensive income (net of tax) for 2022	-	-	-	-	2,742	275,523	( 90,288 )	185,235	-	187,977
D5	Total comprehensive income in 2022	-	-	-	-	186,857	275,523	( 90,288 )	185,235	-	372,092
Q1	Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	10,815	-	( 10,815 )	( 10,815 )	-	-
L1	Purchase of treasury stock	-	-	-	-	-	-	-	-	( 76,382 )	( 76,382 )
L3	Retirement of treasury stock	( 54,400 )	( 17,544 )	-	-	( 4,438 )	-	-	-	76,382	-
Z1	Balance as of December 31, 2022	2,520,001	187,308	724,858	11,397	1,110,640	67,920	118,724	186,644	-	4,740,848
Appropriation and distribution of retained earnings for 2022											
B1	Provision of legal reserve	-	-	19,406	-	( 19,406 )	-	-	-	-	-
B5	Cash dividends appropriated to shareholders - NT\$1.00 per share	-	-	-	-	( 252,000 )	-	-	-	-	( 252,000 )
D1	Net income for 2023	-	-	-	-	338,513	-	-	-	-	338,513
D3	Other comprehensive income (net of tax) for 2023	-	-	-	-	312	( 2,272 )	24,353	22,081	-	22,393
D5	Total comprehensive income in 2023	-	-	-	-	338,825	( 2,272 )	24,353	22,081	-	360,906
Z1	Balance as of December 31, 2023	\$ 2,520,001	\$ 187,308	\$ 744,264	\$ 11,397	\$ 1,178,059	\$ 65,648	\$ 143,077	\$ 208,725	\$ -	\$ 4,849,754

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Chang-shiou WU

Managerial Officer: Mao-sheng KAN

Accounting Manager: Lin-Ju LIN

**Chien Kuo Construction Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**From January 1 to December 31, 2023 and 2022**

Code		Unit: NT\$ Thousands	
		2023	2022 (Revised)
	<b>Cash flows from operating activities</b>		
A10000	Net income before tax	\$ 395,443	\$ 216,752
A20010	Adjustments to reconcile income (loss):		
A20100	Depreciation expense	56,984	30,323
A20200	Amortization expenses	4,085	1,123
A20300	Reversal of expected credit loss	( 12,916)	( 21,782)
A20400	Net (gain) loss on financial assets at fair value through profit or loss	( 182,044)	142,518
A20900	Finance costs	8,147	12,207
A21200	Interest income	( 135,971)	( 43,028)
A21300	Dividend income	( 18,837)	( 18,046)
A22300	Shares of loss of associates accounted for using equity method	138	220
A22500	Gains on disposal of property, plant and equipment	( 68)	( 65,533)
A30000	<b>Changes in operating assets and liabilities, net</b>		
A31125	Contract assets	647,537	37,366
A31130	Notes receivable	( 156)	34,536
A31150	Accounts receivable	( 172,089)	152,698
A31180	Other receivables	( 13,759)	( 209)
A31200	Construction in Progress	( 740)	( 1,762)
A31230	Prepayments	27,286	( 43,862)
A31240	Other current assets	67,476	( 60,809)
A32125	Contract liability	773,032	( 258,810)
A32130	Notes payable	-	( 38,137)
A32150	Accounts payable	( 11,895)	( 395,326)
A32180	Other payables	29,070	( 27,538)
A32230	Other current liabilities	90,578	( 1,103)
A32990	Other non-current liabilities	-	( 402)
A33000	Cash inflow (outflow) generated from operations	1,551,301	( 348,604)
A33100	Interest received	82,884	40,858
A33300	Interest paid	( 8,330)	( 12,180)
A33500	Income taxes paid	( 61,281)	( 71,954)
AAAA	Net cash inflows (outflows) from operating activities	<u>1,564,574</u>	<u>( 391,880)</u>

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Code		2023	2022 (Revised)
	Cash flows from investment activities		
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	\$ -	\$ 90,611
B00040	Acquisition of financial assets measured at amortized cost	( 1,420,703 )	( 270,543 )
B00050	Disposal of financial assets measured at amortized cost	23,843	425,000
B00100	Acquisition of financial assets at fair value through profit or loss	( 1,413,246 )	( 2,383,142 )
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	656,453	3,176,651
B01800	Acquisition of equity-method investments	-	( 49,000 )
B02700	Acquisition of property, plant and equipment	( 10,620 )	( 105,212 )
B02800	Proceeds from disposal of property, plant, and equipment	130	66,487
B03800	Decrease (increase) in refundable deposits	( 339 )	5,514
B04500	Acquisition of intangible assets	( 1,258 )	( 4,989 )
B05500	Advance from disposal of investment properties	115,685	-
B07100	Increase in prepayment for equipment	( 6,296 )	( 4,387 )
B07600	Dividend received	<u>42,018</u>	<u>15,922</u>
BBBB	Net cash (outflows) inflows from investing activities	( <u>2,014,333</u> )	<u>962,912</u>
	Cash flows from financing activities:		
C00100	Increase (decrease) in short-term loans	( 500,000 )	300,000
C00500	Increase (decrease) in short-term bills payable	( 349,787 )	349,787
C01700	Repayment of long-term loans	-	( 500,000 )
C03000	Increase in guarantee deposits received	7,912	31,015
C04020	Repayment of lease principal	( 17,017 )	( 14,702 )
C04500	Cash dividends distributed	( 252,000 )	( 257,440 )
C04900	Purchase of treasury stock	-	( 76,382 )
CCCC	Net cash outflows from financing activities	( <u>1,110,892</u> )	<u>( 167,722 )</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>28,765</u>	<u>191,638</u>
EEEE	Increase (decrease) in cash and cash equivalents	( <u>1,531,886</u> )	<u>594,948</u>
E00100	Cash and cash equivalents at the beginning of year	<u>3,166,181</u>	<u>2,571,233</u>
E00200	Cash and cash equivalents at the end of period	<u>\$ 1,634,295</u>	<u>\$ 3,166,181</u>

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Chang-shiou WU

Managerial Officer: Mao-sheng KAN

Accounting Manager: Lin-Ju LIN

## Independent Auditors' Report

To: The Board of Directors and shareholders of Chien Kuo Construction Co., Ltd.

### **Audit Opinions**

We have audited the Balance Sheets of Chien Kuo Construction Co., Ltd. as of December 31, 2023 and 2022, and as of January 1, 2022, the Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows, and Notes to Financial Statements (including Summary of Significant Accounting Policies) for the period from January 1 to December 31, 2023 and 2022.

In our opinion, the aforementioned Financial Statements present fairly, in all material respects, the financial position of Chien Kuo Construction Co., Ltd. as of December 31, 2023 and 2022, and as of January 1, 2022, and its financial performance and cash flows for the annual periods ended December 31, 2023 and 2022 in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

### **Basis for Audit Opinion**

We conducted our audit of the financial statements in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants," and the auditing standards. Our responsibility under the above mentioned regulations will be further explained in the section titled "The Accountants' Responsibility in Auditing the Financial Statements." We have stayed independent from Chien Kuo Construction Co., Ltd. as required by The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled other responsibilities as stipulated by the Norm. We believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 financial statements of Chien Kuo Construction Co., Ltd.. These matters were addressed in the context of our audit of the 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 financial statements of Chien Kuo Construction Co., Ltd. for 2023 are stated as follows:

#### Construction contracts

The operating revenue of Chien Kuo Construction Co. Ltd. is primarily derived from construction revenue, which is recognized in cost based input method by the management in accordance with IFRS 15 "Revenue from Contracts with Customers." Since the percentage of completion is calculated as the ratio of costs input to the total estimated contract costs, the total estimated construction contract costs are a key factor in calculating the percentage of cost input. As estimated costs and contractual activities are evaluated and judged by the management based on the nature of the different construction projects, the estimated amount of the contract, the duration of construction, the undertaking of construction and the construction methods, and they are prone to influence from changes in commodity prices, labor prices and construction items due to long duration of construction contracts. Any significant changes in estimates, once occurred, may lead to a revenue recognized in accordance with the percentage of completion method either consisting of errors, or having significant influence on the misstatement of the financial statements. Consequently, the estimates of the total costs of the construction contracts are deemed a key audit matter.

The CPAs performs the following key audit procedures regarding the aforementioned matters:

1. Understanding management's procedures for estimating the total costs of long term construction contracts;

2. examining the construction documents, that the management used as evidence for estimating the total costs of construction contracts, in order to assess comprehensively the completeness and reasonableness of the estimates of total costs of long term construction contracts;
3. reviewing whether there are significant adjustments to the estimated total cost of construction contracts after the period;
4. analyzing changes in revenue, costs and gross profit for each project.

For information about construction contracts, please refer to Note XX.

### **Responsibility of the Management and the Governing Body for the Financial Statements**

It is the management's responsibility to fairly present the Financial Statements in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission, and to maintain internal controls which are necessary for the preparation of the Financial Statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the Financial Statements, the responsibility of management includes assessing the ability of Chien Kuo Construction Co., Ltd. to continue as going concerns, disclosing related matters, as well as adopting the going concern basis of accounting, unless the management intends to liquidate Chien Kuo Construction Co., Ltd. or terminate the business, or no practicable measure other than liquidation or termination of the business can be taken.

The governing bodies of Chien Kuo Construction Co., Ltd. (including the Audit Committee) have the responsibility to oversee the process by which the financial statements are prepared.

### **The Accountants' Responsibility in Auditing the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. "Reasonable assurance" refers to high level of assurance. Nevertheless, our audit, which was carried out in accordance with the auditing standards, does not guarantee that a material misstatement(s) will be detected in the Financial Statements. Misstatements may result from fraud or errors. The misstated amounts are material if they could, individually or collectively, be reasonably anticipated to influence the economic decisions of users taken on the basis of the financial statements.

We have utilized our professional judgment and maintained professional skepticism when exercising auditing work in accordance with the auditing standards. We have also:

1. Identified and assessed the risks of a material misstatement(s) due to fraud or errors in the Financial Statements; designed and carried out appropriate countermeasures against the assessed risks; and obtained sufficient and appropriate audit evidence to provide the basis for audit opinion. As fraud may involve collusion, forgery, deliberate omissions, false statements, or overrides of internal controls, the risk of an undetected material misstatement due to fraud is greater than that due to errors.
2. Acquired necessary understanding of internal controls pertaining to the audit in order to develop audit procedures appropriate under the circumstances. Nevertheless, the purpose of such understanding is not to provide any opinion on the effectiveness of the internal controls of Chien Kuo Construction Co., Ltd.
3. Assessed the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Concluded, based on the audit evidence acquired, on the appropriateness of the management's use of the going concern basis of accounting, and determined whether a material uncertainty exists where events or conditions that might cast significant doubt on the ability of Chien Kuo Construction Co., Ltd. to continue as going concerns. If we believe

there are events or conditions indicating the existence of a material uncertainty, we are required to remind the users of the Financial Statements in our audit report of the relevant disclosures therein, or to amend our audit opinion when any inappropriate disclosure was found. Our conclusion is based on the audit evidence acquired as of the date of the audit report. However, future events or conditions may cause Chien Kuo Construction Co., Ltd. to cease to continue as a going concern.

5. Assessed the overall presentation, structure and content of the Financial Statements (including the related notes), and determined whether the Financial Statements present fairly the related transactions and events.
6. Acquired sufficient and appropriate audit evidence regarding financial information of entities within Chien Kuo Construction Co., Ltd. in order to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion on Chien Kuo Construction Co., Ltd.

We communicated 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 identified during our audit.

We also provided governing bodies with a declaration that we had complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and communicated with them all relationships and other matters that might possibly be deemed to impair our independence (including relevant preventive measures).

From the matters communicated with those charged with governance, we determined the key audit matters of the financial statements of Chien Kuo Construction Co., Ltd. of 2023. Such matters have been explicitly stated in our audit report, unless laws or regulations prevent their disclosures, or, in extremely rare cases, we decided not to communicate such matters in our audit report in consideration that the adverse impacts of such communication could be reasonably expected to be greater than the public interest it would promote.

Deloitte Taiwan

CPA: Li-Chun Chang

CPA: Wen-Chin Lin

Financial Supervisory Commission

Approval Document No.:

FSC Approval Document No. 1100356048

Securities and Futures Bureau Approval

Document No.:

Tai-Cai-Zheng-6 No. 0920123784

March 13, 2024

### Notes to Readers

*The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.*

*The independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

Chien Kuo Construction Co., Ltd.  
Balance Sheets  
December 31, 2023 and 2022

Unit: NT\$ Thousands  
January 1, 2022  
(Restated)

Code	Assets	December 31, 2023		December 31, 2022			
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash (Note VI)	\$ 749,840	9	\$ 165,135	5	\$ 741,058	9
1110	Financial assets measured at fair value through profit or loss (Note VII)	-	-	2,716	-	303,111	4
1120	Financial assets at fair value through other comprehensive income (Note VIII)	21,655	-	19,392	-	23,126	-
1136	Financial assets measured at amortized cost (Note IX)	208,301	3	216,252	-	30,962	-
1140	Contract assets (Note XX)	938,706	11	1,584,729	20	1,622,095	19
1150	Notes receivable (Note X)	156	-	-	-	34,536	-
1170	Accounts receivable (Notes X and XX)	286,950	4	105,775	2	236,691	3
1200	Other receivables	21,551	-	7,013	-	235	-
1323	Inventories (for construction business) (Notes XI and XXVIII)	-	-	465,926	6	465,926	6
1410	Prepayments	127,017	2	162,879	2	129,722	2
1470	Other current assets	4,844	-	72,322	1	11,498	-
11XX	Total current assets	<u>2,359,020</u>	<u>29</u>	<u>2,802,139</u>	<u>36</u>	<u>3,598,960</u>	<u>43</u>
	Non-current assets						
1510	Financial assets measured at fair value through profit or loss (Note VII)	75,215	1	29,100	-	26,100	-
1520	Financial assets measured at fair value through other comprehensive income (Notes VIII and XXVI)	370,478	5	348,388	4	525,553	6
1535	Financial assets measured at amortized cost (Notes IX and XXVIII)	70,050	1	70,050	1	-	-
1550	Investments accounted for using equity method (Note XII)	4,562,430	56	4,306,503	55	4,018,205	48
1600	Property, plant and equipment (Note XIII)	95,821	1	123,224	2	32,357	1
1755	Right-of-use assets (Note XIV)	40,672	-	13,894	-	22,123	-
1760	Investment properties (Notes XV and XXVIII)	541,661	7	76,689	1	77,644	1
1780	Intangible assets	10,606	-	7,017	-	2,391	-
1840	Deferred tax assets (Note XVIII and XXII)	35,499	-	18,123	-	24,069	-
1990	Other non-current assets (Note XVIII and XXVIII)	15,927	-	33,700	1	29,893	1
15XX	Total non-current assets	<u>5,818,359</u>	<u>71</u>	<u>5,026,688</u>	<u>64</u>	<u>4,758,335</u>	<u>57</u>
1XXX	Total assets	<u>\$ 8,177,379</u>	<u>100</u>	<u>\$ 7,828,827</u>	<u>100</u>	<u>\$ 8,357,295</u>	<u>100</u>
Code	Liabilities and Equity						
	Current liabilities						
2100	Short-term loans (Note XVI)	\$ 77,000	-	\$ 520,000	7	\$ 200,000	2
2110	Short-term bills payable (Note XVI)	-	-	349,787	4	-	-
2130	Contract liabilities (Note XX)	801,917	10	28,885	-	287,695	3
2170	Accounts payable (Note XVII and XXV)	1,271,198	15	1,289,896	16	1,733,212	21
2200	Other payables	192,684	2	170,297	2	270,324	3
2230	Current tax liabilities	45,862	1	31,096	1	37,924	1
2250	Provision for Current Liabilities (Note XX)	129,920	2	39,538	1	42,732	1
2320	Current portion of long-term loans (Note XVI)	-	-	-	-	499,862	6
2399	Other current liabilities (Note XI and XIV)	132,414	2	16,889	-	18,470	-
21XX	Total current liabilities	<u>2,650,995</u>	<u>32</u>	<u>2,446,388</u>	<u>31</u>	<u>3,090,219</u>	<u>37</u>
	Non-current liabilities						
2570	Deferred tax liabilities (Note XXII)	537,026	7	537,267	7	486,280	6
2600	Other non-current liabilities (Note XIV and XVIII)	139,604	2	104,324	1	78,218	1
25XX	Total non-current liabilities	<u>676,630</u>	<u>9</u>	<u>641,591</u>	<u>8</u>	<u>564,498</u>	<u>7</u>
2XXX	Total liabilities	<u>3,327,625</u>	<u>41</u>	<u>3,087,979</u>	<u>39</u>	<u>3,654,717</u>	<u>44</u>
	Equity (Note XIX)						
	Capital						
3110	Common stock	2,520,001	31	2,520,001	32	2,574,401	31
3200	Additional paid-in capital	187,308	2	187,308	3	204,852	2
	Retained Earnings						
3310	Legal reserve	744,264	9	724,858	10	682,772	8
3320	Special reserve	11,397	-	11,397	-	46,790	1
3350	Unappropriated earnings	1,178,059	14	1,110,640	14	1,181,539	14
3300	Total retained earnings	1,933,720	23	1,846,895	24	1,911,101	23
3400	Other equity	208,725	3	186,644	2	12,224	-
3XXX	Total equity	<u>4,849,754</u>	<u>59</u>	<u>4,740,848</u>	<u>61</u>	<u>4,702,578</u>	<u>56</u>
	Total liabilities and equity	<u>\$ 8,177,379</u>	<u>100</u>	<u>\$ 7,828,827</u>	<u>100</u>	<u>\$ 8,357,295</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

Chairman: Chang-Shiou Wu

Manager: Mao-Sheng KAN

Accounting Manager: Lin-Ju LIN

Chien Kuo Construction Co., Ltd.  
 Statements of Comprehensive Income  
 January 1 to December 31, 2023 and 2022  
 Unit: NT\$ Thousands, except for Earnings per share (in Dollars)

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Note XX)	\$ 4,186,018	100	\$ 5,065,366	100
5000	Operating costs (Notes XXI and XXVII)	3,803,904	91	4,523,143	89
5900	Gross profit	382,114	9	542,223	11
	Operating expenses (Notes XXI and XXVII)				
6200	General and administrative expenses	319,370	7	293,848	6
6450	Reversal of expected credit loss	( 10,600)	-	-	-
6000	Total operating expenses	308,770	7	293,848	6
6900	Net operating income	73,344	2	248,375	5
	Non-operating income and expenses (Notes XII, XXI and XXVII)				
7010	Other income	41,746	1	50,324	1
7020	Other gains and losses	( 3,034)	-	( 11,396)	-
7050	Finance costs	( 8,767)	-	( 12,412)	-
7060	Shares of profits or loss of associates accounted for using equity method	289,067	6	( 49,906)	( 1)
7000	Total non-operating income and expenses	319,012	7	( 23,390)	-
7900	Income before income tax	392,356	9	224,985	5
7950	Income tax expense (Note XXII)	53,843	1	40,870	1
8200	Net income	338,513	8	184,115	4

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Code		2023		2022	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note XVIII)	\$ 390	-	\$ 3,428	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	24,353	1	( 90,288)	( 2)
8349	Income tax related to items that will not be reclassified subsequently to profit or loss (Note XXII)	( 78)	-	( 686)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8380	Shares of other comprehensive income from subsidiaries accounted for using equity method	( 2,840)	-	344,404	7
8399	Income tax related to items of other comprehensive income that may be reclassified subsequently to profit or loss (Note XXII)	568	-	( 68,881)	( 1)
8300	Other comprehensive income (after tax)	22,393	1	187,977	4
8500	Total comprehensive income	\$ 360,906	9	\$ 372,092	8
	Earnings per share (Note XXIII)				
9750	Basic	\$ 1.34		\$ 0.72	
9850	Diluted	\$ 1.34		\$ 0.72	

The accompanying notes are an integral part of the financial statements.

Chairman: Chang-Shiou WU

Manager: Mao-Sheng KAN

Accounting Manager: Lin-Ju Lin

Chien Kuo Construction Co., Ltd.  
Statements of Changes in Equity  
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands

Code		Retained Earnings					Other equity				
		Capital	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Financial Assets Measured at Fair Value through Other Comprehensive Income	Total	Treasury stock	
A1	Balance as of January 1, 2021	\$ 2,574,401	\$ 204,852	\$ 682,772	\$ 46,790	\$ 1,181,539	(\$ 207,603)	\$ 219,827	\$ 12,224	\$ -	\$ 4,702,578
Appropriation and distribution of retained earnings for 2021											
B1	Provision of legal reserve	-	-	42,086	-	( 42,086 )	-	-	-	-	
B3	Reversal of special reserve	-	-	-	( 34,566 )	34,566	-	-	-	-	
B5	Cash dividends appropriated to shareholders - NT\$1.02 per share	-	-	-	-	( 257,440 )	-	-	-	( 257,440 )	
B17	Reversal of special reserve due to disposal of subsidiaries				( 827 )	827					
D1	Net income for 2022	-	-	-	-	184,115	-	-	-	184,115	
D3	Other comprehensive income (net of tax) for 2022	-	-	-	-	2,742	275,523	( 90,288 )	185,235	-	
D5	Total comprehensive income in 2022	-	-	-	-	186,857	275,523	( 90,288 )	185,235	-	
Q1	Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	10,815	-	( 10,815 )	( 10,815 )	-	
L1	Purchase of treasury stock	-	-	-	-	-	-	-	-	( 76,382 )	
L3	Retirement of treasury stock	( 54,400 )	( 17,544 )	-	-	( 4,438 )	-	-	-	76,382	
Z1	Balance as of December 31, 2022	2,520,001	187,308	724,858	11,397	1,110,640	67,920	118,724	186,644	-	
Appropriation and distribution of retained earnings for 2022											
B1	Provision of legal reserve	-	-	19,406	-	( 19,406 )	-	-	-	-	
B5	Cash dividends appropriated to shareholders - NT\$1.00 per share	-	-	-	-	( 252,000 )	-	-	-	( 252,000 )	
D1	Net income for 2023	-	-	-	-	338,513	-	-	-	338,513	
D3	Other comprehensive income (net of tax) for 2023	-	-	-	-	312	( 2,272 )	24,353	22,081	-	
D5	Total comprehensive income in 2023	-	-	-	-	338,825	( 2,272 )	24,353	22,081	-	
Z1	Balance as of December 31, 2023	\$ 2,520,001	\$ 187,308	\$ 744,264	\$ 11,397	\$ 1,178,059	\$ 65,648	\$ 143,077	\$ 208,725	\$ -	
The accompanying notes are an integral part of the financial statements.											

Chairman: Chang-Shiou WU

Manager: Mao-Sheng KAN

Accounting Manager: Lin-Ju Lin

Chien Kuo Construction Co., Ltd.  
 Statements of Cash Flows  
 From January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands

Code		2022	
		2023	(Restated)
	Cash flows from operating activities		
A10000	Income before income tax	\$ 392,356	\$ 224,985
A20010	Adjustments to reconcile income (loss):		
A20100	Depreciation expense	56,770	29,587
A20200	Amortization expenses	4,085	1,123
A20300	Reversal of expected credit loss	( 13,000)	-
A20400	Net loss on financial assets at fair value through profit or loss	901	68,526
A20900	Finance costs	8,767	12,412
A21200	Interest income	( 17,627)	( 3,281)
A21300	Dividend income	( 9,684)	( 15,349)
A22400	Shares of profits or loss of subsidiaries and associates accounted for using equity method	( 289,067)	49,906
A22500	Gains on disposal of property, plant and equipment	( 68)	( 64,459)
A30000	Changes in operating assets and liabilities, net		
A31125	Contract assets	647,537	37,366
A31130	Notes receivable	( 156)	34,536
A31150	Accounts receivable	( 172,089)	130,916
A31180	Other receivables	( 13,761)	( 623)
A31230	Prepayments	29,811	( 33,157)
A31240	Other current assets	67,478	( 60,824)
A32125	Contract liability	773,032	( 258,810)
A32150	Accounts payable	( 18,698)	( 443,316)
A32180	Other payables	22,536	( 21,365)
A32230	Other current liabilities	90,789	( 3,021)
A32990	Other non-current liabilities	—	( 396)
A33000	Cash inflow (outflow) generated from operations	1,559,912	( 315,244)
A33100	Interest received	14,557	1,819
A33300	Interest paid	( 8,478)	( 12,385)
A33500	Income taxes paid	( 56,204)	( 60,330)
AAAA	Net cash (out)inflows from operating activities	<u>1,509,787</u>	( 386,140)

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Code	Description	2023		2022 (Restated)	
		Amount	Sign	Amount	Sign
	Cash flows from investment activities				
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	\$	-	\$ 90,611	
B00040	Acquisition of financial assets measured at amortized cost		-	( 255,340 )	
B00050	Disposal of financial assets measured at amortized cost		7,951	-	
B00100	Acquisition of financial assets at fair value through profit or loss	(	94,573 )	( 499,426 )	
B00200	Proceeds from disposal of financial assets at fair value through profit or loss		54,966	645,051	
B02200	Net cash outflow from disposal of subsidiaries	(	10,000 )	( 27,500 )	
B02700	Acquisition of property, plant and equipment	(	10,767 )	( 105,212 )	
B02800	Disposal of property, plant, and equipment		130	64,459	
B03800	Decrease (increase) in refundable deposits	(	343 )	5,512	
B04500	Acquisition of intangible assets	(	1,257 )	( 4,989 )	
B05500	Advance from disposal of investment properties		115,685	-	
B07100	Increase in prepayment for equipment	(	6,296 )	( 4,387 )	
B07600	Dividend received		<u>73,165</u>	<u>46,925</u>	
BBBB	Net cash inflows (outflows) from investing activities		<u>128,661</u>	<u>( 44,296 )</u>	
	Cash flows from financing activities:				
C00100	Increase (decrease) in short-term loans	(	443,000 )	320,000	
C00500	Increase (decrease) in short-term bills payable	(	349,787 )	349,787	
C01700	Repayment of long-term loans		-	( 500,000 )	
C03000	Increase in guarantee deposits received		7,913	32,951	
C04020	Repayment of lease principal	(	16,869 )	( 14,403 )	
C04500	Cash dividends distributed	(	252,000 )	( 257,440 )	
C04900	Purchase of treasury stock		<u>-</u>	<u>( 76,382 )</u>	
CCCC	Net cash outflows from financing activities		<u>( 1,053,743 )</u>	<u>( 145,487 )</u>	
EEEE	Net increase (decrease) in cash		584,705	( 575,923 )	
E00100	Cash at the beginning of year		<u>165,135</u>	<u>741,058</u>	
E00200	Cash at the end of year	\$	<u>749,840</u>	\$ <u>165,135</u>	

The accompanying notes are an integral part of the financial statements.

Chairman: Chang-Shiou WU

Manager: Mao-Sheng KAN

Accounting Manager: Lin-Ju Lin

## Comparison Table for the Articles of Incorporation before and after Revision

Paragraph/ Article	Provisions after Revision	Current Provisions	Explanation
Article X	<p>Shareholders' meetings of the Company are of two kinds:</p> <p>(I) Regular shareholders' meeting; and</p> <p>(II) Special shareholders' meeting. Regular meetings shall be convened within six (6) months after the close of each fiscal year. Special meetings may be convened when the Board of Directors deems necessary, unless the Company Act requires otherwise. The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. <u>If the Company conducts a virtual shareholders' meeting, it must be resolved by the Board of Directors. The resolution to hold the virtual shareholders' meeting must be agreed upon by more than two-thirds of the directors and a majority of the attending directors.</u></p>	<p>Shareholders' meetings of the Company are of two kinds:</p> <p>(I) Regular shareholders' meeting; and</p> <p>(II) Special shareholders' meeting. Regular meetings shall be convened within six (6) months after the close of each fiscal year. Special meetings may be convened when the Board of Directors deems necessary, unless the Company Act requires otherwise. The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</p>	Amended in accordance with Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies.
Article XIV-1	Among the directors of the Company, <u>there must be at least one director of a different gender</u> and no less than three independent directors, who must account for at least <u>one-third</u> of the total number of directors.	Among the seats of directors as stated in the preceding paragraph, the seats of independent directors shall be no less than three people or <u>one-fifth</u> of the seats of directors.	Amended in accordance with the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers".
Article XXVI	<p>The Company's Articles of Incorporation was established on October 15, 1960.</p> <p>Amended for the first time on September 30, 1969.....</p> <p>Amended for the fortieth time on June 20, 2023.</p> <p><u>Amended for the forty-first time on June 18, 2024.</u></p>	<p>The Company's Articles of Incorporation was established on October 15, 1960.</p> <p>Amended for the first time on September 30, 1969.....</p> <p>Amended for the fortieth time on June 20, 2023.</p>	Updated the date of amendments.

## Comparison Table for the Rules and Procedures of Shareholders' Meeting before and after Revision

Paragraph/ Article	Provisions after Revision	Current Provisions	Explanation
Article I	<p>A shareholders' meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures. Any matter not provided in these Rules and Procedures shall be handled in accordance with relevant laws and regulations.</p> <p>Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</p> <p>The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention. To convene a virtual shareholders meeting, this Corporation shall include how shareholders attend the virtual meeting and exercise their rights, actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, as well as the date and other notes to be noted if the meeting has to be postponed or adjourned, in the shareholders meeting notice. <u>During the virtual shareholders' meeting, suitable alternative arrangements shall be made for shareholders who are unable to participate in the meeting via video conference. Except for the circumstances specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall provide shareholders with online access equipment and necessary assistance. The Company shall also specify the period during which shareholders can apply to the Company and provide any other relevant information that needs to be noted.</u></p> <p><u>The Company's conducting of a virtual shareholders' meeting, unless otherwise stipulated by the Regulations Governing the Administration of Shareholder Services of Public Companies, shall be determined according to the Articles of Incorporation and resolved by the Board of Directors. The resolution to hold the virtual shareholders' meeting must be agreed upon by more than two-thirds of the directors and a majority of the attending directors.</u></p>	<p>A shareholders' meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures. Any matter not provided in these Rules and Procedures shall be handled in accordance with relevant laws and regulations.</p> <p>Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</p> <p>The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention. To convene a virtual shareholders meeting, this Corporation shall include how shareholders attend the virtual meeting and exercise their rights, actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, as well as the date and other notes to be noted if the meeting has to be postponed or adjourned, in the shareholders meeting notice</p>	Amended in accordance with the "XXX Co., Ltd. Rules and Procedures of Shareholders' Meetings" as stipulated by competent authority.

## List of Director and Independent Director Candidates

Criteria	Name	Shareholding as of April 20, 2024	Education	Experience	Current Position
Directors	1. Chi-te CHEN	18,844,139	<input type="radio"/> MBA, Santa Clara University, USA	<input type="radio"/> Chairman, Chien Kuo Construction Co., Ltd.	<input type="radio"/> Director (corporate representative) of Taiwan Cement Corporation <input type="radio"/> Director of Chia Hsin Cement Corporation <input type="radio"/> Chairman (corporate representative) of Chia Hsin Property Management and Development <input type="radio"/> Director (corporate representative) of China Real Estate Management Co., Ltd. <input type="radio"/> Chairman (corporate representative) of Golden Canyon Venture Capital Investment Co., Ltd. <input type="radio"/> Chairman (corporate representative), Golden Canyon II Venture Capital Investment Co., Ltd. <input type="radio"/> Director (corporate representative) of Shun Long International Electrical Engineering Co., Ltd. <input type="radio"/> Director of Silver Shadow Holding Limited <input type="radio"/> Director of Golden Canyon Limited <input type="radio"/> Director of CK Asia Co., Ltd. <input type="radio"/> Chairman of Chien Hwei Investment Co., Ltd. <input type="radio"/> Chairman, Jui Huei Trading Co., Ltd. <input type="radio"/> Chairman of Deqing Investment Co., Ltd. <input type="radio"/> Chairman (corporate representative) of Rock Publishing International <input type="radio"/> Chairman of Chien Hwei Cultural & Educational Foundation <input type="radio"/> Chairman of Chien Kuo Foundation for Arts and Culture
	2. Representative of Chien Hui Investment Co., Ltd.: Chang-shiou WU	46,011,532	<input type="radio"/> PhD. Civil Engineering & Engineering Mechanics, University of Arizona, USA	<input type="radio"/> General Manager, Chien Kuo Construction Co., Ltd. <input type="radio"/> General Manager of Pei-Fon Co. Ltd. (Shanghai) <input type="radio"/> General Manager of Ruentex Resource Integration Co. Ltd. <input type="radio"/> General Manager of Ruentex Engineering & Construction Co. Ltd.	<input type="radio"/> Director of Silver Shadow Holding Limited <input type="radio"/> Director of Golden Canyon Limited <input type="radio"/> Director of CK Asia Co., Ltd. <input type="radio"/> Chairman (corporate representative) & President, Shun Long International Electrical Engineering Co., Ltd. <input type="radio"/> Director (corporate representative), Golden Canyon Venture Capital Investment Co., Ltd. <input type="radio"/> Director (corporate representative), Golden Canyon II Venture Capital Investment Co., Ltd.
	3. Chung CHENG	0	<input type="radio"/> Master in Electrical and Computer Engineering, University of California, USA <input type="radio"/> MBA, Santa Clara University, USA	<input type="radio"/> Independent Director, Chien Kuo Construction Co., Ltd.	<input type="radio"/> Director, China Real Estate Management <input type="radio"/> Chairman (corporate representative), China Development Asset Management Co., Ltd. <input type="radio"/> Director (corporate representative), Keyware Electronics Co., Ltd. <input type="radio"/> Director (corporate representative), VIVASOLIS Biotechnology Co., Ltd.

	4. Chu-hsin LEE	0	<input type="radio"/> Bachelor of Electrical Engineering , National Chiao Tung University	<input type="radio"/> Independent Director, Chien Kuo Construction Co., Ltd.	<input type="radio"/> Qbic Technology Co., Ltd. Independent Director
	5. Chi-hsin CHEN	1,888,316	<input type="radio"/> Kaohsiung Commercial and Industrial Vocational High School	<input type="radio"/> Supervisor, Chien Kuo Construction Co., Ltd.	<input type="radio"/> Business Manager, Headway Group
	6. Chen-ching CHEN	14,285,515	<input type="radio"/> MBA, NYU Stern, USA	<input type="radio"/> Special Assistant to the Chairman, Chien Kuo Construction Co., Ltd.	<input type="radio"/> Director (corporate representative), Golden Canyon Venture Capital Investment Co., Ltd.
Independent Director	1. Chin-pao TSAI	0	<input type="radio"/> M.S. in Accounting, National Chengchi University	<input type="radio"/> Deputy Director, PwC Taiwan	<input type="radio"/> Independent Director, ECOVE Environment Corporation
			<input type="radio"/> M.A., Graduate School of Law, National Chengchi University		<input type="radio"/> Independent Director, TANVEX BIO PHARMA, INC.
	2. Li-hsing I	0	<input type="radio"/> M.S. in Civil Engineering , University of Texas at Austin (USA)	<input type="radio"/> Consultant, BES Engineering Corporation	<input type="radio"/> Director of TIC Group
				<input type="radio"/> General Manager, Construction Business, Chien Kuo Construction Co., Ltd.	<input type="radio"/> Chairman (corporate representative), Jiaguang Development Industrial Co., Ltd.
				<input type="radio"/> General Manager, Ruentex Construction Co., Ltd.	<input type="radio"/> Chairman (corporate representative), Wonshida Development Industrial Co., Ltd.
				<input type="radio"/> General Manager, Pinghui Construction Co., Ltd.	<input type="radio"/> Director (corporate representative), TransGlobe Life Insurance Inc.
					<input type="radio"/> Chairman (corporate representative), Orient Golf Co., Ltd.
					<input type="radio"/> Director (corporate representative), FCB International Leasing, Ltd.

				<input type="radio"/> General Manager, Runan Electrical Engineering Co., Ltd. <input type="radio"/> General Manager, Lisheng Construction Co., Ltd. <input type="radio"/> General Manager, Pengfa Construction Co., Ltd. <input type="radio"/> Associate Engineer, Engineering Division, RSEA Engineering Corporation	
3. Tai-sheng YEN	0	<input type="radio"/> Bachelor of Business Administration, University of California, Fresno, USA	<input type="radio"/> Director & General Manager, Operations, Information and Human Resources, Citibank Asia Pacific <input type="radio"/> Vice President of Human Resources, Citibank Taiwan <input type="radio"/> Director, Human Resources, FedEx Central and North Asia <input type="radio"/> Director, Human Resources, Mobil North Asia <input type="radio"/> Vice President of Human Resources, Bank of America Taipei Branch <input type="radio"/> Director, Human Resources, Avon Taiwan	<input type="radio"/> Consultant, TransGlobe Life Insurance Inc. <input type="radio"/> Judge (Elite Awards), Taiwan Academy of Banking and Finance <input type="radio"/> Instructor, National Academy of Civil Service <input type="radio"/> National Taiwan Normal University Course Consultant, Graduate Institute of International Human Resource Development	

## Chapter 9. Appendices

### **Articles of Incorporation of Chien Kuo Construction Co., Ltd. (Before Revision)**

#### Chapter 1. General Provisions

Article 1      The Company shall be incorporated, as a company limited by shares, under the Company Act of the Republic of China, and its name shall be Chien Kuo Construction Co., Ltd.

Article 2      The scope of business of the Company shall be as follows:

- I.              E101011 Synthesis Construction
- II.             I101080 Industrial and Mining Consultancy
- III.           F111090 Wholesale of Building Materials
- IV.           F211010 Retail Sale of Building Materials
- V.           C901990 Other Non metallic Mineral Products Manufacturing
- VI.           B202010 Nonmetallic Mining
- VII.           F115020 Wholesale of Mineral
- VIII.           F215020 Retail Sale of Mineral
- IX.           B601010 On land Clay and Stone Quarrying
- X.           F117010 Wholesale of Fire Fighting Equipment
- XI.           F217010 Retail Sale of Fire Fighting Equipment
- XII.           F113010 Wholesale of Machinery
- XIII.           F213080 Retail Sale of Machinery and Equipment
- XIV.           E603020 Elevator Construction
- XV.           F113030 Wholesale of Precision Instruments
- XVI.           F213040 Retail Sale of Precision Instruments
- XVII.           ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- XVIII.           F401010 International Trade.
- XIX.           E602011 Frozen and Air-conditioning Engineering
- XX.           E603050 Cybernation Equipment Construction
- XXI.           E603040 Fire Fighting Equipment Construction
- XXII.           IF01010 Fire Fighting Equipment Overhauling
- XXIII.           IG03010 Energy Technical Services
- XXIV.           F113100 Wholesale of Pollution Controlling Equipment
- XXV.           F213100 Retail Sale of Pollution Controlling Equipment
- XXVI.           E502010 Fuel Pipe Construction
- XXVII.           E599010 Pipe Lines Construction
- XXVIII.           E601020 Electric Appliance Installation
- XXIX.           E603010 Cables Construction
- XXX.           E603080 Traffic Signals Construction
- XXXI.           E604010 Machinery Installation Construction
- XXXII.           E501011 Water Pipe Construction
- XXXIII.           E601010 Electric Appliance Construction
- XXXIV.           E605010 Computing Equipment Installation Construction
- XXXV.           H701010 Residence and Buildings Lease Construction and Development
- XXXVI.           H701020 Industrial Factory Buildings Lease Construction and Development
- XXXVII.           H701050 Public Works Construction and Investment
- XXXVIII.           H701060 New County and Community Construction and Investment
- XXXIX.           H701080 Reconstruction within the renewal area

	XL.	H701090 Renovation, or maintenance within the renewal area
	XLI.	H703090 Real Estate Commerce
	XLII.	H703100 Real Estate Rental and Leasing
Article 2-1		The Company may provide endorsement and guarantee and act as a guarantor when the business or investment requires.
Article 3		The Company shall have its head office in Taipei City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up a branch office within or outside the territory of the Republic of China when deemed necessary.
Article 4		Any and all public announcements shall be made by the Company in accordance with Article 28 of the Company Act.

## Chapter 2. Capital Stock

Article 5	The total capital stock of the Company shall be in the amount of NT\$5 billion, divided into 500 million shares, at NT\$10 per share, and may be paid-up in installments. A total of 13 million shares among the above total capital stock should be reserved for issuing employee stock options
Article 6	The Company's shares shall be affixed with the signatures or personal seals of the directors representing the Company, and shall be issued only after being attested by banks competent to serve as attesters for the issuance of share certificates under the laws. The Company may elect not to print out the issued shares but shall register the issued shares with a centralized securities depositary enterprise.
Article 7	Shareholders shall fill in and deposit their shareholder specimen chop with the Company, and they shall do so if any changes in the shareholder specimen chop occur. Shareholders specimen chop shall be the certificate as to receive dividends and bonus, to communicate with the Company in writing, or to exercise any other rights. The establishment, abolition, and update shall be conducted in accordance with the requirements of the competent authority.
Article 8	The transfer, inheritance, giving, loss, and destruction of shares shall be conducted in accordance with the Company Act and related decrees.
Article 8-1	<p>The Company's shares purchased under the Company Act may only be transferred to employees of the parent or subsidiaries who meet certain criteria. The Company's employee stock option certificates may only be transferred to employees of the parent or subsidiaries who meet certain criteria.</p> <p>The Company's employee stock option certificates may only be transferred to employees of the parent or subsidiaries who meet certain criteria.</p> <p>The Company's issuance of new shares may only be subscribed by employees of the parent or subsidiaries who meet certain criteria.</p> <p>The Company's restricted stock awards (RSA) may only be issued to employees of the parent or subsidiaries who meet certain criteria.</p>

## Chapter 3. Shareholders' Meetings

Article 9	The Company shall not handle any requests for transfers of shares within sixty (60) days prior to the shareholders meeting, thirty (30) days prior to the special shareholders meeting, or five (5) days prior to the record date for the distribution of dividends, bonuses or other interests.
Article 10	<p>Shareholders' meetings of the Company are of two kinds:</p> <p>(I) Regular shareholders' meeting; and</p> <p>(II) Special shareholders' meeting.</p> <p>Regular meetings shall be convened within six (6) months after the close of each fiscal year. Special meetings may be convened when the Board of Directors deems necessary, unless the Company Act requires otherwise.</p>

	<p>The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</p> <p>Written notices specifying the date, place, and reasons for the convening of shareholders' meetings shall be sent to all shareholders, at least thirty (30) days in advance, in case of regular meetings; and at least fifteen (15) days in advance, in case of special meetings.</p>
Article 11	<p>A shareholder may appoint a proxy to attend a shareholders' meeting on his/her/its behalf by executing a power of attorney printed by the Company five (5) days prior to the convening date of the shareholders' meeting. The number of proxy shall be limited to one person. When a person who acts as the proxy for two or more shareholders, the number of the voting power represented by him/her shall not exceed 3% of the total number of voting shares of the Company, otherwise, the portion of excessive voting power shall not be counted. When a corporate person has more than one proxy, the exercise of voting rights is calculated at their combined shareholding. Unless otherwise provided by laws and regulations, each share held by the Company's shareholders shall be entitled to one vote.</p>
Article 12	<p>Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. When the number of shareholders present does not constitute the quorum prescribed in the preceding article, but those present represent one-third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a shareholders' meeting within one month. In the aforesaid meeting of shareholders, if the tentative resolution is again adopted by a majority of those present who represent one-third or more of the total number of issued shares, such tentative resolution shall be deemed to be a resolution under the preceding article.</p>
Article 13	<p>Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The minutes of the shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes, along with the attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies, shall be kept by the Company. The distribution of the minutes of shareholders' meeting may be made in the manner of public announcement.</p>
	<h4>Chapter 4. Directors</h4>
Article 14	<p>The Company shall have 7 - 13 directors, elected using the candidate nomination system in the manner as prescribed by Article 192-1 of the Company Act. They shall be elected by the shareholders' meeting from among the candidate for directors, with the term of three (3) years and eligibility for re-election. The total amount of registered shares held by all members of directors shall be handled in accordance with the requirements of the competent authority. When the number of vacancies in the Board of Directors equals one-third of the total number of directors, the Board of Directors shall convene a special shareholders' meeting for the re-election of directors within sixty (60) days.</p>
Article 14-1	<p>Among the seats of directors as stated in the preceding paragraph, the seats of independent directors shall be no less than <b>three</b> people or one-fifth of the seats of directors.</p> <p>Independent directors' professional qualification, shareholding, restriction on positions occupied, nomination and election, and other compliance matters shall be in accordance with the requirements of the securities competent authority.</p>

Article 14-2 The Company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship for the sake of ensuring shareholders' interest and lowering the Company's operating risks.

Article 15 Board of Directors shall comprise directors, among whom one Chairman and one Vice Chairman shall be elected by the consent from more than one-half of the directors present at a meeting attended by two-thirds of the directors. The Chairman represents internally the chairman of the shareholders' meeting and chairman of the Board of Directors, and externally the Company. When the Chairman is on leave, the Vice Chairman shall act as an acting Chairman.

Article 16 The Chairman of the Board of Directors shall internally preside the Board meeting. In case the Chairman is absent for any cause, the Vice Chairman shall act on his behalf. In case the Vice Chairman is also absent or unable for any cause, the Chairman shall designate one of the directors to act on his behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting Chairman of the Board of Directors. Resolutions shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the directors present, who represent more than one-half of the total number of directors.

In the event that a director is absent for any cause, he/she may delegate a proxy to attend the meeting on his/her behalf, which proxy shall not exceed one person.

In case a meeting of the Board of Directors is proceeded via the visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 16-1 In calling a meeting of the Board of Directors, a written notice stating the cause for the meeting shall be given to each director no later than seven (7) days prior to the scheduled meeting date, except in emergency, in which case the meeting of the Board of Directors may be convened at any time.

The convening of meeting as mentioned in the preceding paragraph may be made by a notice in the form of writing, fax or email.

Article 17 Resolutions adopted at a Board meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all directors of the Company within twenty (20) days after the close of the meeting. Such meeting minutes shall, together with the attendance list for the Board meeting, be kept by the Company according to law.

Article 18 The Board of Directors shall comprise directors who conduct the business operations in accordance with laws and regulations, the Articles of Incorporation, and all resolutions adopted by the shareholders' meeting.

Article 18-1 The Board of Directors is authorized to determine the salary for the directors, taking into account the extent of the services provided for the management of the Company and the payment standards of the industry.

Article 19 The Company may set up committees by function.

The Company may set up an Audit Committee composed of all members of independent directors, whose exercise of duties and other compliance matters shall be handled in accordance with the Company Act, the Securities and Exchange Act, and other relevant decrees.

The Company may set up a Compensation Committee composed of one or all seats of independent directors and one seat of independent personnel, which seats in total shall be no less than three. Their exercise of duties and other compliance matters shall be handled in accordance with the Company Act, the Securities and Exchange Act, and other relevant decrees.

## Chapter 5. Manager

Article 20 The Company shall have one President and a few Vice Presidents. The President shall be responsible for managing all business operations of the Company by adhering to the resolved strategies by the Board of Directors, with the assistance of the Vice Presidents. The appointment, discharge and remuneration of the President shall be made in accordance with Article 29 of the Company Act.

Article 21 Deleted.

## Chapter 6. Accounting

Article 22 Upon the close of each fiscal year, the directors shall prepare various reports and financial statements and shall deliver the same to each of the shareholders for their approval in the manner as prescribed by law.

I. Business report.

II. Financial statements.

III. Proposal for the distribution of earnings or make-up of deficits.

Article 23 With the net income before tax (before netting off employees' compensation and directors' remuneration), the Company shall appropriate 0.1% to 3% of such amount as employees' compensation and no greater than 3% of such amount as directors' remuneration. However, in the case that the Company still has cumulative losses, a portion of the net income shall be retained in the first place to offset such losses.

Employees' compensation mentioned in the preceding paragraph shall be distributed in stocks or in cash to employees of subsidiaries who meet certain criteria and control, which are stipulated by the Board of Directors being authorized to do so.

The above-mentioned employees' compensation and directors' remuneration shall be paid pursuant to a resolution adopted by a majority vote of a meeting of the Board of Directors attended by two-thirds or more of all the directors, and reported to the shareholders' meeting.

Article 23-1 In the event that there are any earnings after the annual final accounting, such earnings shall be utilized in the first place to pay for all taxes and duties as required by law and to make up for deficits of prior years. The remaining amount, if any, shall be appropriated in the following order:

I. Provide legal reserve pursuant to laws and regulations.

II. Provide (or reverse) special reserves pursuant to laws and regulations or where operation requires.

III. The remaining balance, along with undistributed earnings of prior years, shall be proposed by the Board of Directors for earnings distribution, which shall then be resolved by the Shareholders' Meeting.

The Company's dividend policy shall take into account the environment and growth of the industry, long-term financial plans and optimization of shareholders' equity. Cash dividends to be appropriated shall not be less than 10% of the total dividends to be appropriated for the year.

Article 23-2 The Company may, upon the resolution adopted by two-thirds of the shareholders present at the Shareholders' Meeting attended by more than one-half of the voting shares, transfer shares to the employees at an average price lower than the actual repurchase price, or issue employee stock options at the subscription price lower than the closing price on the issuance date.

Article 23-3 The Company may, in accordance with the requirements of the Company Act, distribute its reserves in the form of new shares or cash to shareholders in proportion to their shareholding ratio.

Article 24 The Company may invest in other businesses with an amount exceeding 40% of its paid-in capital.

## Chapter 7. Supplementary Provisions

Article 25 Matters not provided for herein shall be handled in the manner as required by the Company Act.

Article 26 The organizational regulations, internal regulations and the detailed procedures of business operation shall be separately determined by the Board of Directors.  
The Company's Articles of Incorporation was established on October 15, 1960.  
Amended for the first time on September 30, 1969  
Amended for the second time on December 14, 1971  
Amended for the third time on March 17, 1974  
Amended for the fourth time on June 16, 1974  
Amended for the fifth time on March 20, 1976  
Amended for the sixth time on May 2, 1976  
Amended for the seventh time on September 10, 1980  
Amended for the eighth time on November 25, 1985  
Amended for the ninth time on December 1, 1990  
Amended for the tenth time on April 15, 1991  
Amended for the eleventh time on July 31, 1991  
Amended for the twelfth time on November 22, 1991  
Amended for the thirteenth time on April 20, 1992  
Amended for the fourteenth time on April 16, 1993  
Amended for the fifteenth time on May 6, 1994  
Amended for the sixteenth time on April 26, 1995  
Amended for the seventeenth time on May 12, 1997  
Amended for the eighteenth time on July 25, 1997  
Amended for the nineteenth time on May 21, 1999  
Amended for the twentieth time on May 20, 2000  
Amended for the twenty-first time on June 14, 2001  
Amended for the twenty-second time on June 14, 2002.  
Amended for the twenty-third time on May 2, 2003.  
Amended for the twenty-fourth time on June 25, 2004.  
Amended for the twenty-fifth time on June 14, 2005.  
Amended for the twenty-sixth time on June 15, 2006.  
Amended for the twenty-seventh time on June 15, 2007.  
Amended for the twenty-eighth time on June 19, 2008.  
Amended for the twenty-ninth time on June 16, 2009.  
Amended for the thirtieth time on June 15, 2010.  
Amended for the thirty-first time on June 9, 2011.  
Amended for the thirty-second time on June 18, 2012.  
Amended for the thirty-third time on June 22, 2015.  
Amended for the thirty-fourth time on June 21, 2016.  
Amended for the thirty-fifth time on June 22, 2017.  
Amended for the thirty-sixth time on June 29, 2018.  
Amended for the thirty-seventh time on June 21, 2019.  
Amended for the thirty-eighth time on July 22, 2021.  
Amended for the thirty-ninth time on June 21, 2022.  
Amended for the fortieth time on June 20, 2023.

Chien Kuo Construction Co., Ltd.  
Chairman: Chang-shiou WU

## **Rules and Procedures of Shareholders' Meeting**

### **(Before Revision)**

Amended and resolved at the annual  
shareholders' meeting on June 21, 2022

**Article 1** A shareholders' meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures. Any matter not provided in these Rules and Procedures shall be handled in accordance with relevant laws and regulations. Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice. The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention. To convene a virtual shareholders meeting, this Corporation shall include how shareholders attend the virtual meeting and exercise their rights, actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, as well as the date and other notes to be noted if the meeting has to be postponed or adjourned, in the shareholders meeting notice

**Article 2** The time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person. The Company shall upload the number of shares attended in writing or electronically, meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting. Shareholders attending the Meeting shall submit the attendance card for the purpose of signing in. 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. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

**Article 3** Attendance and resolution at shareholders' meetings shall be calculated based on the number of shares. When the Company holds a shareholders' 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, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. 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 five (5) 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 unless an explicit statement to revoke the previously written proxy is made in the proxy which comes later.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or attend the shareholders meeting online or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two (2) business days before the meeting date. If the cancellation notice is submitted after that time, votes cast by correspondence or electronically shall prevail; if the shareholder exercises voting rights by correspondence or electronically and appoints a proxy to attend the meeting by providing the proxy form, votes cast at the meeting by the proxy shall prevail.

When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 2 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

#### Article 4

The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

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

#### Article 5

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the Board. When the chairperson of the Board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint another director to be the acting chairperson. In the absence of such appointment, the directors present shall elect from among themselves an acting chairperson.

#### Article 6

If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two (2) or more such convening parties, they shall mutually select a chair from among themselves.

#### Article 7

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

#### Article 8

The process of the Meeting shall be audio- and video-recorded and these recorded tapes shall be preserved for at least one (1) year. In the event of a lawsuit filed by shareholders in accordance with Article 189 of the Company Act, these recorded tapes shall be archived until the conclusion of the lawsuit.

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 this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end and shall be properly kept the Company during the entirety of its existence.

#### Article 9

Chairman shall call the Meeting to order at the time scheduled for the Meeting and at the same time announce the relevant information such as the number of non-voting rights and the number of shares present. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two (2) times at the most, and the Meeting shall not be postponed for longer than one hour in aggregate. If the quorum is not met after two postponements, but the

attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to paragraph, Article of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article.

If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the Chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Act of the Republic of China.

Article 10 If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors, and all proposals shall be decided by vote on a case-by-case basis. The Meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, rather than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the items (including other business and special motions) listed on the agenda as set forth by the preceding two paragraphs are resolved.

The shareholders shall not designate any other person as chairman and continue the Meeting in the same or another place after the Meeting is adjourned.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak shall be set by the chair.

If any shareholder present at the Meeting submits a speech slip but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents given on the speech slip, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders; otherwise, the chairman shall stop such interruption.

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

In case the speech of any shareholder violates the above provision or exceeds the scope of the agenda items, the chairman may terminate the speech of such shareholder.

Article 13 When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

Article 14 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

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.

Article 15 When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote, and also reserve a period of time sufficient for voting.

Article 16      Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the Meeting, and a record made of the vote.  
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 and immediately disclose them on the video conference platform of the shareholders' meeting.  
Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes, to which the signature or seal of the chair of the meeting shall be affixed. The meeting minutes shall be distributed to each shareholder within twenty (20) days after the conclusion of the Meeting. The meeting minutes may be produced and distributed in electronic form.  
The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.  
The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions are adopted, and a summary of the deliberations and their results (including the number of voting rights). When there is an election of directors, the number of votes for each elected director shall be disclosed. The minutes shall be retained for the duration of the existence of the Company.

Article 17      When a meeting is in progress, the chair may announce a break based on time considerations.

Article 18      Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.  
When voting, a vote shall be taken on a proposal-by-proposal basis.

Article 19      When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When anyone among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 20      The chair may direct the proctors or security personnel to help maintain order at the meeting place.  
When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

Article 21      The Rules and Procedures, and any amendments thereto, shall be implemented after adoption by the Meeting.

## **Procedures for Election of Directors**

Amended and resolved at the annual  
shareholders' meeting on July 22,  
2021

Article 1 An election of directors of the Company shall be conducted in accordance with these Procedures. Any matter not provided in these Procedures shall be handled in accordance with relevant laws and regulations or the Company's Articles of Incorporation.

Article 2 The election of directors of the Company shall be conducted in accordance with the shareholders' meeting.

Article 3 The election of directors of the Company shall be conducted in accordance with the candidate nomination system as stipulated by the Company Act.

Article 4 The number of directors of the Company shall be determined in accordance with the provisions of the Company's Articles of Incorporation.

Article 5 The election of directors of the Company follows a cumulative voting system. Each share, unless otherwise specified by law, carries the same number of voting rights as the number of directors to be elected. Shareholders can use their shares to collectively elect one person or to separately elect several persons.  
In the election of the Company's Board of Directors, the Board shall print ballots equal to the number of directors to be elected and indicate their voting rights. These ballots shall be distributed to shareholders attending the shareholders' meeting. Names of the voters may be represented by the attendance certificate numbers printed on the ballots. Voters who vote electronically shall not receive separate ballots.

Article 6 Independent directors and non-independent directors should be elected simultaneously, with the number of seats for each category calculated separately. The candidates with the highest number of votes in each category shall be elected in sequence. If there are two or more individuals with equal voting rights and the number exceeds the specified quota, the decision shall be determined by drawing lots among those individuals. If any of them are absent, the Chairman shall draw lots on their behalf.

Article 7 Elected directors shall lose their effectiveness upon verification if their personal information is found to be inconsistent or if they are deemed unsuitable according to relevant laws and regulations.

Article 8 Before the election commences, the Chairman shall appoint a number of vote counters and shareholder observers to fulfill respective duties.

Article 9 The ballot box shall be prepared by the Board of Directors and publicly inspected by the scrutineer prior to the vote.

Article 10 Deleted.

Article 11 The ballot shall be deemed invalid and treated as a spoiled ballot if it meets any of the following conditions:

- I. Ballots that do not follow these Procedures.
- II. Unwritten blank ballots cast into the ballot box.
- III. Illegible or altered handwriting.
- IV. Those whose filled-in list of elected persons and director candidates does not match upon verification.
- V. Those with additional text written in besides the filled-in number of allocated voting rights.
- VI. Those with two or more candidates chosen.

Article 12 A ballot box should be established for the election of directors, and shall be opened by the scrutineer following the voting.

Article 13 The scrutineer is responsible for overseeing the vote counting process. The election results, including the list of elected directors with their respective votes and the list of unsuccessful candidates with their received votes, shall be announced on the spot by the Chairman or designated personnel, and shall be recorded.

Article 14 Deleted.

Article 15 For any matter not stipulated in this document, it shall be addressed in accordance with the Company Act, relevant laws and regulations, and the provisions of the Company's Articles of Incorporation.

Article 16 These Procedures, and any amendments thereto, shall be implemented after adoption by the Shareholders' Meeting.

## Shareholdings of All Directors

Book closure date: April 20, 2024

Name	Name	Date elected	No. of shares documented on the shareholders roster
Chairperson	Representative of Chien Hui Investment Co., Ltd.: Chang-shiou WU	2021.07.22	46,011,532 shares
Vice Chairperson	Chi-te CHEN	2021.07.22	18,844,139 shares
Director	Pang-yen YANG	2021.07.22	1,393,166 shares
Director	Chung CHENG	2021.07.22	0 shares
Director	Chu-hsin LEE	2021.07.22	0 shares
Director	Tzu-chiang YANG	2021.07.22	0 shares
Director	Chien Hsiang Investment Co., Ltd. Representative: Jui-hsing TSAI	2021.07.22	578,400 shares
Director	Yu-jui CHANG	2021.07.22	1,209,804 shares
Director	Chi-hsin CHEN	2021.07.22	1,888,316 shares
Director	Representative of Chien Hui Investment Co., Ltd.: Pai-tso SUN	2021.07.22	46,011,532 shares
Independent Director	Chin-pao TSAI	2021.07.22	0 shares
Independent Director	Chen-yu FENG	2021.07.22	0 shares
Independent Director	Li-hsing I	2021.07.22	0 shares
Required minimum shareholding by all directors	12,000,000 shares	Actual shareholding by all directors	69,925,357 shares

Note: The total number of issued shares of the Company as of April 20, 2024 was 252,000,105 shares.