



CHIENKUO CONSTRUCTION CO.,LTD.
Chien Kuo Construction Co., Ltd.

2022 Annual Shareholders' Meeting

Meeting Agenda Handbook

Time: 9:00 a.m., June 21, 2022 (Tuesday)

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

Convening method: Physical shareholder meetings with visual assistance

Visual meeting platform: Depository company:

<https://www.stockvote.com.tw>

Table of Contents

Chapter 1.	Meeting Agenda.....	1
Chapter 2.	Report Item No.....	2
Chapter 3.	Ratified Items and Discussion Items.....	7
Chapter 4.	Extempore Motion	10
Chapter 5.	Adjournment	10
Chapter 6.	Attachments.....	10
	I. Schedule of Directors' Remuneration	11
	II Independent Auditors' Report and Financial Statements.....	13
	III Comparison Table for the Articles of Incorporation before and after Revision	33
	IV Comparison Table for the Rules and Procedures of Shareholders' Meeting before and after Revision	34
	V. Comparison Table for the Procedures for the Acquisition or Disposal of Assets before and after Revision.....	38
Chapter 7.	Appendices.....	45
	I. Articles of Incorporation of Chien Kuo Construction Co., Ltd. (Before Revision)	45
	II. Rules and Procedures of Shareholders' Meeting (Before Revision) ...	52
	III. Shareholdings of All Directors	55

Chapter 1. Meeting Agenda
Chien Kuo Construction Co., Ltd.
2022 Annual Shareholders' Meeting Agenda

Time: 9:00 a.m., June 21, 2022 (Tuesday)

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

Convening method: Physical shareholder meetings with visual assistance

Visual meeting platform: Depository company:

<https://www.stockvote.com.tw>

Meeting Procedures:

I. Report the Attending Shares

II. Call Meeting to Order

III. Chairman's Address

IV. Report Items

1. The Company's 2021 Business Report.
2. Audit Committee's Audit Report on the 2021 Final Accounting Books.
3. Report on the distribution of compensation to employees and remuneration to directors for 2021.
4. Report on the status of directors' remuneration for 2021.

V. Ratified Items and Discussion Items

1. To adopt the Company's 2021 Annual Business Report, Standalone Financial Statements, and Consolidated Financial Statements.
2. To adopt the Company's 2021 Earnings Distribution Proposal.
3. To discuss the amendment to the Company's Articles of Incorporation.
4. To discuss the amendment to the Company's Rules and Procedures of Shareholders' Meeting.
5. To discuss the amendment to the Company's Procedures for the Acquisition or Disposal of Assets.

VI. Extempore Motion

VII. Adjournment

Chapter 2. Report Items

Report Item No. 1

Subject: The Company's 2021 Business Report

Explanation:

2021 Business Report

I. Business Strategy

Adhering to the core value of “Integrity, Optimization, Well-being, and Harmony”, Chien Kuo Construction has implemented its philosophy of integrity and activeness, insisted on pre-eminent quality, strictly controlled the overall cost, and fulfilled its social responsibilities through its teamwork spirit of sustainability, innovation, and learning and development. Chien Kuo Construction expects itself to be the new generation construction team that is technology-based, social-cared, and humanistic-aesthetics-oriented.

II. Business Overview

The Company's 2021 annual consolidated revenue was NT\$5,326,431 thousand, an decrease of 21% over 2020. The net profit attributable to shareholders of the Company was NT\$405,150 thousand, an increase of 8% over 2020. Earnings per share was NT\$1.57. The following is a summary report of the Company's 2021 consolidated business results:

(I) Operational Highlight

Unit: NT\$ Thousands

Item	2021	2020	Growth
Operating revenue	5,326,431	6,762,818	-21%
Operating costs	4,702,057	6,250,304	-25%
Gross profit	624,374	512,514	22%
Operating expenses	338,354	290,643	16%
Net operating income (loss)	286,020	221,871	29%
Non-operating income and expense	259,686	161,941	60%
Profit before tax of continuing operations	545,706	383,812	42%
Net income from continuing operations	405,150	301,975	34%
Profit from discontinued operations	-	72,769	-100%
Net income	405,150	374,744	8%
Net income attributable to non-controlling interest	-	839	-100%
Net income attributable to shareholders of the Company	405,150	373,905	8%

- ✓ Revenue in 2021 decreased by 21% compared to 2020, but gross profit increased by 22% compared to the previous year, mainly due to the fact that 2020 was in the stage of mass construction. Therefore, the revenue in 2021 was lower than that in 2020. However, due to the impact of price adjustment in some of the subcontracting cases, the gross profit in 2021 was higher than that in 2020.
- ✓ The difference in non-operating income and expense between the two years was mainly due to an increase in dividend income, interest income and gains on the disposal of subsidiaries in 2021.

(II) Cash Flows and Profitability Analysis

1. Cash Flows

Unit: NT\$ Thousands

Item	Amount
Net cash provided by operating activities	576,389
Net cash outflow from the investing activities	(218,314)
Net cash outflow from the financing activities	(507,129)
Effect of exchange rate changes on cash and cash equivalents	(15,990)
Cash reduction in the current period	(165,044)
Cash - beginning of the year	2,618,337
Cash - end of the year	2,453,293

- ✓ Net cash flows generated from operating activities was mainly due to the net profit for the period.
- ✓ Net cash flows used in investing activities were mainly used in investments in financial assets.
- ✓ Net cash flows used in financing activities were mainly due to repayment of long-term loans and cash dividends.

2. Profitability Analysis

Item	2021	
Return on assets	4.8%	
Return on equity	8.9%	
Ratio of paid-in capital	Operating income	11.1%
	Income before tax	21.2%
Net profit margin	7.6%	
Earnings per share (NT\$)	1.57	

III. Technology and R&D

The Company continues to improve its technology R&D based on the concept of technicalization, electronization, automation, and differentiation, with a purpose to improve the core competitiveness of construction. In 2018, the Technology Development Department was officially established to focus on the technology R&D of ICT technology application, professional information software/tool development, and new engineering technology development, with the ultimate goal towards smart management and smart construction. As of the end of 2021, it has obtained 24 new patents.

IV. Outlook

In recent years, the construction industry has been experiencing a vibrant boom, and the residential market has been boosted by the emergence of the capital market and the rigid demand for housing in the southern part of the country driven by TSMC Nanke, which has boosted the momentum of real estate developers to push their projects. In the factory and commercial office market, due to the ongoing U.S.-China trade war and the restructuring of the global supply chain, as well as China's promotion of the special law on the return of capital to Taiwan, Chinese manufacturers are facing political and trade uncertainties, driving Taiwanese manufacturers to invest in Taiwan, and the overall factory and commercial office market is very active. To build 200,000 public housing units within 8 years, the government has planned the second-phase construction sites, offering 80000 public housing units across Taiwan. The overall demand is growing steadily. However, since 2021, the price index for construction projects has increased by 11%, the largest increase in 13 years, and the trend of increasing overall operating costs would become a key challenge for the Company's future operations. Looking ahead to 2022, in response to fluctuating raw material prices and high operating costs, the Company will continue to maintain a balanced mix of residential, factory and public works, and strive to diversify its products for more robust operations. We also focus on project automation, quality optimization and project management information services with our construction experience and emerging technologies to continue our efforts towards sustainable management in the future.

Chairman: Chang-shiou WU Manager: Shih-Ning TUNG Accounting Manager: Ling-ju LIN

Report Item No. 2

Subject: Audit Committee's Audit Report on the 2021 Final Accounting Books.

Explanation:

- I. The Board of Directors has prepared the 2021 Financial Statements in accordance with the Company Act CCXXVIII. 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 2021 Standalone Financial Statements and the 2021 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. 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

2022 Annual Shareholders' Meeting of the Company

Chien Kuo Construction Co., Ltd.

Convener of the Audit Committee: Chin-pao TSAI

March 24, 2022

Report Item No. 3

Subject: Report on the distribution of compensation to employees and remuneration to directors for 2021,.

Explanation:

- I. Pursuant to Article XXIII 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\$15,563 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\$15,563 thousand paid in cash in accordance with the Company's Regulations Governing Allocation and Payment of Remuneration to Directors.

Report Items No. 4

Subject: Report on the status of directors' remuneration for 2021.,

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:

In accordance with Article XVIII-I 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 XXIII of the Company's Articles of Incorporation also stipulate 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 11~12 of this Board of Directors' Manual for a detailed breakdown of directors' remuneration (Appendix 1).

Chapter 3. Ratified Items and Discussion Items

Proposal No. 1 Proposed by the Board of Directors

Subject: To adopt the Company's 2021 Annual Business Report, Standalone Financial Statements, and Consolidated Financial Statements.,

Explanation:

- I. The Company's 2021 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 13 to 32 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 3# of the Meeting Agenda Handbook.

Resolution:

Proposal No. 2 Proposed by the Board of Directors

Subject: To adopt the Company's 2021 Earnings Distribution Proposal.,

Explanation:

- I. The Financial Statements of the Company for 2021 have been audited by Deloitte & Touche Taiwan. The beginning balance of undistributed earnings was NT\$760,675,296; the net income after tax (NIAT) for the year was NT\$405,149,563, plus the reversal of special reserves from the initial application of IFRS 9 in the amount of NT\$11,475,967, and remeasurement of the defined benefit plan for the current year recognized under retained earnings in the amount of NT\$1,854,261, and the gain/loss on equity instrument investments at fair value through other comprehensive income in the amount of NT\$2,384,154; 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\$420,863,945. The provision of legal reserve in the amount of was NT\$(42,086,395) and the special reserves provided according to the law was NT\$34,565,985; the distributable earnings for the year in the amount of NT\$1,174,018,831 is to be distributed in accordance with the requirements of the Articles of Incorporation.
- II. The 2021 Earnings Distribution Proposal is to distribute to shareholders the cash dividends in the amount of NT\$257,440,105, 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 2021 Earnings Distribution Proposal is presented in the following table:

**Chien Kuo Construction Co., Ltd.
2021 Earnings Distribution Proposal**

Item	Amount	Unit: NT\$
Undistributed earnings - beginning	760,675,296	
Profit after tax for the year	405,149,563	
Reversal of special reserves from the initial application of IFRS 9	11,475,967	
Remeasurement of defined benefit plans recognized under retained earnings	1,854,261	
Disposal of equity instruments at fair value through other comprehensive income	2,384,154	
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	420,863,945	
Provision of legal reserve (10%)	(42,086,395)	
Reversal of special reserves provided according to the law	34,565,985	
Distributable earnings - ending	1,174,018,831	
Distribution items		
Dividends to shareholders at NT\$1.0 per share	(257,440,105)	
Undistributed earnings - ending	916,578,726	

Chairman: Chang-shiou WU Manager: Shih-Ning TUNG 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 amendment to the Company's Articles of Incorporation

Explanation:

- I. For the purpose of making the manner of convening shareholders' meetings more flexible, Article X of the Company's Articles of Incorporation are amended as shown on page 33 (Attachment III) of this Board of Directors' Manual.

II. Please discuss.

Resolution:

Proposal No. 4 Proposed by the Board of Directors

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

Explanation:

- I. In accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings promulgated by the competent authority, it is proposed to amend some of the provisions of the Rules and Procedures of Shareholders' Meeting of the Company. For the comparison table of the provisions before and after revision, please refer to Attachment IV on pages 34 to 37 of the Meeting Agenda Handbook.

II. Please discuss.

Resolution:

Proposal No. 5 Proposed by the Board of Directors

Subject: To discuss the amendment to the Company's Procedures for the Acquisition or Disposal of Assets

Explanation:

- I. In line with the amendment of some provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" by the competent authority, the Company amended some provisions of the "Procedures for the Acquisition or Disposal of Assets". For the comparison table of the provisions before and after revision, please refer to Attachment V on pages 38 to 44 of the Meeting Agenda Handbook.

II. Please discuss.

Resolution:

Chapter 4. Extempore Motion

Chapter 5. Adjournment

Chapter 6. Attachments

Schedule of Directors' Remuneration:

Title	Name	Directors' Remuneration:				Relevant remuneration received by directors who are also employees				Proportion of the sum of A, B, C, D, E, F and G to net profit after tax (Note 8)				
		Remuneration (A) (Note 2)	Severance pay and pension (B)	Remuneration of directors (C) (Note 3)		Business expense (D) (Note 4)	Ratio of the total of 4 items A, B, C and D to net income after taxes (Note 10)	Salary, bonus and special allowance (E) (Note 5)	Pension (F)	Employee's compensation (G) (Note 6)		All companies listed in this Financial Report (Note 7)	The Company	
				All companies listed in this Company	All companies listed in this Financial Report (Note 7)					All companies listed in this Financial Report (Note 7)				
Chairperson	Chien Hwei Co., Investment Representative: Chang-shiou WU	600	600	-	-	14	14	614 0.15%	16,923	16,923	-	4	-	17,541 4.33%
Vice Chairperson	Chien Chi-te CHEN	0	0	-	-	1,779	1,779	14	14	1,793 0.44%	-	-	-	1,793 0.44%
Directors	Pang-yen YANG	240	240	-	-	1,191	1,191	14	14	1,445 0.36%	-	-	-	1,445 0.36%
Directors	Chien Hsiang Co., Investment Representative: Jui-hsing TSAI	240	240	-	-	14	14	254 0.06%	254	254 0.06%	-	-	-	254 0.06%
Directors	Tzu-chiang YANG	240	240	-	-	1,191	1,191	14	14	1,445 0.36%	-	-	-	1,445 0.36%
Directors	Chien Hwei Co., Investment Representative: Pai-iso SUN	240	240	-	-	1,191	1,191	14	14	254 0.06%	4,059	4,615	-	4,317 1.07%
Directors	Chung CHENG	240	240	-	-	1,191	1,191	14	14	1,445 0.36%	-	-	-	1,445 0.36%
Directors	Chu-hsin LEE	240	240	-	-	1,191	1,191	14	14	1,445 0.36%	-	-	-	1,445 0.36%
Directors	Yu-jui CHANG	240	240	-	-	1,191	1,191	14	14	1,445 0.36%	-	-	-	1,445 0.36%
Directors	Chi-hsin CHEN	240	240	-	-	1,191	1,191	14	14	1,445 0.36%	-	-	-	1,445 0.36%
Independent Directors	Chin-pao TSAI	960	960	-	-	-	-	34	34	994 0.25%	0	-	-	994 0.25%

Title	Name	Directors' Remuneration:			Relevant remuneration received by directors who are also employees			Proportion of the sum of A, B, C, D, E, F and G to net profit after tax (Note 8)		
		Remuneration (A) (Note 2)	Severance pay and pension (B)	Remuneration of directors (C) (Note 3)	Business expense (D) (Note 4)	Salary, bonus and special allowance (E) (Note 5)	Pension (F)	Employee's compensation (G) (Note 6)	All companies listed in this Financial Report (Note 7)	The Company
Independent Director	Chen-yu FENG	960	960	-	-	-	34	34 994 0.25%	- 0 - -	- - - -
Independent Director	Li-hsing I	960	960	-	-	-	34	34 994 0.25%	- 0 - -	- - - -

1. Please illustrate the policies, systems, standards and structure of independent directors' remuneration, as well as the correlation between their remuneration and the responsibilities, risks, and time invested: The "Regulations Governing the Payment and Distribution of Directors' Compensation" shall be applied as the basis for evaluation. Other than disclosure in the above table, Directors' remuneration received by providing services (e.g. providing consulting services as a non-employee) to the Company in the financial report: None

Note 1. The names of directors shall be listed separately (corporate shareholders and their representatives separately), and the general directors and independent directors shall be listed separately, and the amount of each payment shall be disclosed in aggregate.

Note 2. This represents directors' remuneration (including directors' salaries, bonuses, severance pay, various bonuses and incentives, etc.) for 2021.

Note 3. The Company's 2022.03.24 Board of Directors resolved that the remuneration of directors for 2021 is NT\$15,563 thousand; the amount is estimated in accordance with the Company's "Regulations Governing the Payment and Distribution of Directors' Remuneration". The total amount of directors' remuneration for 2020, including the amount to be paid by the corporate directors in 2021 (NT\$3,570 thousand for Chien Hwei Investment Co., Ltd. and NT\$1,191 thousand for Chien Hsiang Investment Co., Ltd.), is NT\$113,686 thousand.

Note 4. This represents the expenses related to the execution of the business of the directors in 2021 (including transportation expenses, special expenses, various allowances, housing, car, etc.). The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, cars and other transportation or personal expenses are provided. The company provides car and driver for one year for a total amount of NT\$3,403,000, and is not included in the remuneration.

Note 5. This represents the salaries, salary increments, severance pay, bonuses, incentive payments, transportation expenses, special expenses, allowances, housing, cars, etc. received by the directors and employees (including the president, vice presidents, other managers and employees) in 2021. The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, cars and other transportation or personal expenses are provided. The Company provides car and driver for one year for a total amount of NT\$0, and is not included in the remuneration. Salary expense recognized in accordance with IFRS 2, "Share-based Payment," including the acquisition of employee stock options, new shares with restricted employee rights and participation in cash capital increase to subscribe for shares, shall also be included in remuneration.

Note 6. This represents the amount of employee compensation (including stock and cash) received by directors who are also employees (including those who are also general managers, vice presidents, other managers and employees) in 2021, which should be disclosed as the amount of employee compensation approved by the Board of Directors in the most recent year, or if it is not possible to estimate, the amount of proposed distribution for this year in proportion to the actual amount of distribution last year, and shall also be listed on Appendix I-III.

Note 7. The total amount of remuneration paid to the Company's directors by all companies in the consolidated report (including the Company) shall be disclosed.

Note 8. The Company's net income after tax for 2021 is NT\$405,150 thousand; for those who have adopted IFRSs, the net income after tax refers to the net income for the most recent year of the standalone or standalone financial reports.

Note 9.

- a. The amount of remuneration received by the directors of the Company from the subsidiaries or the parent company shall be specified in this column.
- b. If a director of the Company receives remuneration from a subsidiary or a parent company, the remuneration received by the director of the Company from a subsidiary or a parent company should be included in column I of the remuneration scale, and the name of the column shall be changed to "Parent Company and All Revested Subsidiaries".
- c. Remuneration refers to the compensation, remuneration (including remuneration to employees, directors and supervisors) and business execution expenses related to the director's role as a director, supervisor or manager of a business other than a subsidiary or a parent company of the Company.

Independent Auditors' Report

(Attachment II)

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, 2021 and 2020, 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, 2021 and 2020.

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, 2021 and 2020, and its consolidated financial performance and consolidated cash flows for the annual periods ended December 31, 2021 and 2020 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 generally accepted 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 2021 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 2021 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.

Our major audit procedures executed in response to this key audit matter included understanding the procedures by which the management estimated the total costs of long term construction contracts; 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; and examining whether in the subsequent period the cost of construction contracts were adjusted significantly, and analyzing changes in revenue, costs, and gross profits of each project of construction.

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

Other Matters

Chien Kuo Construction Co., Ltd. has also compiled Financial Statements for 2021 and 2020, 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 or the supervisors) 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 generally accepted 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 the generally accepted 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 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 2021. 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 28, 2022

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

Unit: NT\$ Thousands

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents (Note VI)	\$ 2,453,293	29	\$ 2,607,033	30
1110	Financial assets at fair value through profit or loss (Note VII)	1,830,044	22	1,745,016	20
1120	Financial assets at fair value through other comprehensive income (Note VIII)	23,126	-	24,569	-
1136	Financial assets at amortized cost (Notes IX and XXXII)	573,902	7	292,741	3
1140	Contract assets (Note XXII)	1,622,095	20	1,586,371	18
1150	Notes receivable (Note X)	34,536	-	89,256	1
1170	Accounts receivable (Notes X and XXII)	241,362	3	584,381	7
1200	Other receivables	27,817	-	155,105	2
1220	Current tax assets	110,984	1	110,592	1
1323	Inventories (for construction business) (Notes XI and XXXII)	465,926	6	465,926	5
1410	Prepayments (Note XII)	119,411	2	53,591	1
1460	Non-current assets classified as held for sale (Note XIV)	-	-	353,954	4
1470	Other current assets	11,518	-	6,376	-
11XX	Total current assets	<u>7,514,014</u>	<u>90</u>	<u>8,074,911</u>	<u>92</u>
Non-current assets					
1510	Financial assets at fair value through profit or loss (Note VII)	88,042	1	67,355	1
1517	Financial assets at fair value through other comprehensive income (Notes VIII and XXXII)	525,553	6	398,003	5
1535	Financial assets at amortized cost (Notes IX and XXXII)	-	-	5,696	-
1600	Property, plant and equipment (Note XV)	33,847	1	33,577	-
1755	Right-of-use assets (Note XVI)	23,284	-	25,049	-
1760	Investment properties (Notes XVII and XXXII)	102,487	1	122,643	2
1840	Deferred tax assets (Note XXIV)	25,552	-	30,965	-
1990	Other non-current assets (Note XXXII)	32,291	1	23,653	-
15XX	Total non-current assets	<u>831,056</u>	<u>10</u>	<u>706,941</u>	<u>8</u>
IXXX	Total assets	<u>\$ 8,345,070</u>	<u>100</u>	<u>\$ 8,781,852</u>	<u>100</u>
Code	Liabilities and Equity				
Current liabilities					
2100	Short-term loans (Note XVIII)	\$ 200,000	2	\$ 15,000	-
2130	Contract liabilities (Note XXII)	287,695	3	93,909	1
2150	Notes payable	38,137	1	10,120	-
2170	Accounts payable (Note XIX)	1,649,752	20	1,810,129	21
2200	Other payables	281,237	3	242,799	3
2230	Current tax liabilities	52,091	1	29,520	-
2260	Liabilities related to non-current assets classified as held for sale (Note XIV)	-	-	30,274	1
2310	Advanced received due to disposal of investments (XIV)	-	-	531,083	6
2320	Current portion of long-term loans (Notes XVIII and XXXII)	499,862	6	449,292	5
2399	Other current liabilities (Note XVI)	64,979	1	72,710	1
21XX	Total current liabilities	<u>3,073,753</u>	<u>37</u>	<u>3,284,836</u>	<u>38</u>
Non-current liabilities					
2540	Long-term loans (Notes XVIII and XXXII)	-	-	499,850	6
2570	Deferred tax Liabilities (Note XXIV)	486,280	6	457,330	5
2600	Other current liabilities (Note XVI)	82,459	1	111,185	1
25XX	Total non-current liabilities	<u>568,739</u>	<u>7</u>	<u>1,068,365</u>	<u>12</u>
2XXX	Total liabilities	<u>3,642,492</u>	<u>44</u>	<u>4,353,201</u>	<u>50</u>
Equity (Note XXI)					
Capital					
3110	Common stock	2,574,401	31	2,574,401	29
3200	Additional paid-in capital	204,852	2	204,852	2
Retained Earnings					
3310	Legal reserve	682,772	8	645,464	8
3320	Special reserve	46,790	1	23,412	-
3350	Unappropriated earnings	1,181,539	14	1,038,788	12
3300	Total retained earnings	<u>1,911,101</u>	<u>23</u>	<u>1,707,664</u>	<u>20</u>
3400	Other equity	12,224	-	(58,266)	(1)
3XXX	Total equity	<u>4,702,578</u>	<u>56</u>	<u>4,428,651</u>	<u>50</u>
Total liabilities and equity					
		<u>\$ 8,345,070</u>	<u>100</u>	<u>\$ 8,781,852</u>	<u>100</u>

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

Chairman:Chang-shiou WU

Manager:Shih-ning TUNG

Accounting Manager: Lin-Ju LIN

Chien Kuo Construction Co., Ltd. and Subsidiaries
 Consolidated Statements of Comprehensive Income
 From January 1 to December 31, 2021 and 2020

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

Code		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (Note XXII)	\$ 5,326,431	100	\$ 6,762,818	100
5000	Operating cost (Notes XXIII and XXXI)	4,702,057	88	6,250,304	93
5900	Gross profit	624,374	12	512,514	7
6000	Operating expenses (Notes XXIII and XXXI)	338,354	7	290,643	4
6900	Net operating income	286,020	5	221,871	3
	Non-operating income and expenses (Notes XXIII and XXXI)				
7010	Other income	142,670	3	69,048	1
7020	Other gains and losses	126,235	2	105,130	2
7050	Finance costs	(9,219)	-	(11,811)	-
7060	Shares of profits or loss of associates accounted for using equity method				
7000	Total non-operating income and expenses	259,686	5	161,941	3
7900	Income before income tax from continuing operations	545,706	10	383,812	6
7950	Income tax expense (Note XXIV)	140,556	2	81,837	1
8000	Net income from continuing operations	405,150	8	301,975	5
8100	Profits from discontinued operations (Notes XIV and XXIII)			72,769	1
8200	Net income	405,150	8	374,744	6

(Continued on next page)

(Continued from the previous page)

Code		2021		2020	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	\$ 2,318	-	(\$ 936)	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	50,959	1	(19,852)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss (Note XXIV)	(463)	-	187	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations	27,394	-	(52,321)	(1)
8368	Gain or loss of hedging instruments (Note XXIV)	-	-	(1,042)	-
8399	Income tax related to items that will be reclassified subsequently to profit or loss (Note XXIV)	(5,479)	-	10.465	-
8300	Other comprehensive income or loss (after tax)	<u>74,729</u>	<u>1</u>	<u>(63,499)</u>	<u>(1)</u>
8500	Total comprehensive income	<u>\$ 479,879</u>	<u>9</u>	<u>\$ 311,245</u>	<u>5</u>
	Net income (loss) attributable to:				
8610	Owners of the parent	\$ 405,150	8	\$ 373,905	6
8620	Non-controlling interests	<u>-</u>	<u>-</u>	<u>839</u>	<u>-</u>
8600		<u>\$ 405,150</u>	<u>8</u>	<u>\$ 374,744</u>	<u>6</u>
	Comprehensive income attributable to:				
8710	Owners of the parent	\$ 479,879	9	\$ 310,406	5
8720	Non-controlling interests	<u>-</u>	<u>-</u>	<u>839</u>	<u>-</u>
8700		<u>\$ 479,879</u>	<u>9</u>	<u>\$ 311,245</u>	<u>5</u>

(Continued on next page)

(Continued from the previous page)

Code		2021		2020	
		Amount	%	Amount	%
	Earnings per share (Note XXV)				
	From continuing and discontinued operations				
9750	Basic	\$ 1.57		\$ 1.43	
9850	Diluted	\$ 1.57		\$ 1.43	
	From continuing operations				
9710	Basic	\$ 1.57		\$ 1.16	
9810	Diluted	\$ 1.57		\$ 1.15	

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

Chairman: Chang-shiou WU

Manager: Shih-ning TUNG

Accounting Manager: Lin-Ju Lin

Chien Kuo Construction Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
From January 1 to December 31, 2021 and 2020

Unit: NTS Thousands, except for Dividends per share (in Dollars)

Code	Description	Equity Attributable to Owners of the Parent										Non-controlling interest	Total equity
		Capital	Additional paid-in capital	Legal reserve	Retained Earnings	Special reserve	Unappropriated earnings	Gain or loss on hedge instrument	Treasury stock	Total 1,042	\$ 4,348,740		
A1	Balance as of January 1, 2020	\$ 2,574,401	\$ 201,627	\$ 626,354	\$ 50,801	\$ 800,246	\$ 187,662	\$ 182,531	\$ 1,042	\$ 4,348,740	\$ 7,012	\$ 4,355,752	
	Appropriation and distribution of retained earnings for 2019	-	-	-	18,910	(18,960)	(18,910)	-	-	-	-	-	
B1	Legal reserve	-	-	-	-	-	(18,090)	-	-	-	-	-	
B3	Special reserve	-	-	-	-	-	(133,720)	-	(133,720)	-	-	(133,720)	
B5	Cash dividends appropriated to shareholders - NT\$0.50 per share	-	-	-	-	-	-	-	-	-	-	-	
B17	Reversal of special reserve due to disposal of subsidiaries	-	-	-	(8,499)	8,499	-	-	-	-	-	-	
	Disposal of investments in equity instruments measured at fair value through other comprehensive income by associates	-	-	-	-	(8,573)	-	-	-	-	-	-	
Q1	Acquired part of the equity of subsidiary	-	993	-	-	-	-	-	-	-	993	993	
L1	Purchase of treasury stock	-	-	-	-	-	-	(97,768)	(97,768)	-	-	(97,768)	
L3	Retirement of treasury stock	(100,000)	2,232	-	-	-	-	97,768	-	-	-	-	
D1	Net income for 2020	-	-	-	373,905	-	-	-	-	-	373,905	373,905	
D3	Other comprehensive income (net of tax) for 2020	-	-	-	(749)	(41,836)	(19,832)	(1,042)	-	-	(63,499)	(63,499)	
D5	Total comprehensive income in 2020	-	-	-	373,156	(41,836)	(19,832)	(1,042)	-	-	310,466	310,466	
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	(7,831)	(7,831)	
Z1	Balance as of December 31, 2020	2,574,401	204,852	645,464	23,412	1,038,788	(229,518)	171,252	-	-	4,428,651	-	4,428,651
	Appropriation and distribution of retained earnings for 2020	-	-	-	37,208	(37,308)	-	-	-	-	-	-	
B1	Provision of legal reserve	-	-	-	-	34,854	(34,854)	-	-	-	-	-	-
B3	Provision of special reserve	-	-	-	-	-	(205,952)	-	-	-	(205,952)	-	(205,952)
B5	Cash dividends appropriated to shareholders - NT\$0.80 per share	-	-	-	-	-	-	-	-	-	-	-	-
B17	Reversal of special reserve due to disposal of subsidiaries	-	-	-	(11,476)	11,476	-	-	-	-	-	-	-
	Disposal of equity instruments measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	2,384	(2,384)	-	-	-	-	-	-
D1	Net income for 2021	-	-	-	-	405,150	-	-	-	-	405,150	-	405,150
D3	Other comprehensive income (net of tax) for 2021	-	-	-	-	1,855	21,915	-	-	-	21,915	-	21,915
D5	Total comprehensive income in 2021	-	-	-	-	407,005	21,915	-	-	-	21,915	-	21,915
Z1	Balance as of December 31, 2021	\$ 2,574,401	\$ 204,852	\$ 682,772	\$ 46,790	\$ 1,181,539	(\$ 207,603)	\$ 219,827	-	-	\$ 4,702,578	-	\$ 4,702,578

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

Manager: Shih-ning TUNG

Accounting Manager: Lin-Ju Lin

Chairman: Chang-shiou WU

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

From January 1 to December 31, 2021 and 2020

Unit: NT\$ Thousands

Code		2021	2020
	Cash flows from operating activities		
A00010	Income before income tax from continuing operations	\$ 545,706	\$ 383,812
A00020	Income before income tax from discontinued operations	-	75,289
A10000	Net income before tax	<u>545,706</u>	<u>459,101</u>
A20010	Adjustments to reconcile income (loss):		
A29900	Net gain on disposal of subsidiaries	(145,987)	(99,306)
A21200	Interest income	(66,232)	(44,231)
A21300	Dividend income	(70,475)	(23,481)
A22500	Gains on disposal of property, plant and equipment	(22)	(67,568)
A20400	Net loss (gain) on financial assets at fair value through profit or loss	7,800	(37,265)
A20100	Depreciation expense	21,184	24,696
A24100	Foreign exchange gains	(16,165)	(33,664)
A20900	Finance costs	9,219	12,413
A20300	Expected credit loss (reversed gain)	8,232	(5,823)
A23200	Gain on disposal of associates accounted for using equity method	-	(3,510)
A24600	Impairment loss on investment properties	-	2,252
A22700	Loss (gain) on disposal of investment properties	(62)	1,838
A20200	Amortization expenses	295	1,011
A22300	Shares of loss of associates accounted for using equity method	-	426
A29900	Profit from lease modification	-	(208)
A30000	Changes in operating assets and liabilities, net		
A31125	Contract assets	(35,724)	(629,546)
A31130	Notes receivable	54,516	91,345
A31150	Accounts receivable	337,188	1,198,742
A31180	Other receivables	9,927	(72,918)
A31200	Inventories	-	10,288
A31200	Construction in Progress	-	(2,349)
A31230	Prepayments	(65,808)	361,732
A31240	Other current assets	(5,158)	(3,002)
A32125	Contract liability	193,659	184,136
A32130	Notes payable	28,017	(121,766)
A32150	Accounts payable	(160,506)	249,257
A32180	Other payables	(32,091)	6,174
A32230	Other current liabilities	(6,564)	(1,012)

(Continued on next page)

(Continued from the previous page)

Code		2021	2020
A32990	Other non-current liabilities	(\$ 833)	(\$ 151)
A33000	Cash inflow generated from operations	610,116	1,457,611
A33100	Interest received	64,375	54,302
A33300	Interest paid	(8,609)	(12,365)
A33500	Income taxes paid	(89,493)	(210,908)
AAAA	Net cash inflow from operating activities	<u>576,389</u>	<u>1,288,640</u>
Cash flows from investment activities			
B00010	Acquisition of financial assets at fair value through other comprehensive income	(79,795)	-
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	4,597	17,648
B00040	Acquisition of financial assets at amortized cost	(425,000)	(292,741)
B00050	Disposal of financial assets at amortized cost	149,535	141,222
B00100	Acquisition of financial assets at fair value through profit or loss	(6,674,936)	(3,321,445)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	6,720,830	1,593,516
B01900	Net cash inflow from disposal of associates	-	12,250
B02200	Net cash outflow from disposal of subsidiaries	-	(6,858)
B02300	Net cash flows from disposal of subsidiaries	12,504	110,710
B02700	Acquisition of property, plant and equipment	(6,939)	(16,601)
B02800	Proceeds from disposal of property, plant, and equipment	127	89,447
B03800	Increase in refundable deposits	(173)	(4,140)
B04500	Acquisition of intangible assets	(1,600)	-
B05500	Proceeds from disposal of investment properties	19,221	47,618
B07600	Dividend received	63,315	18,904
B09900	Advance receipts from disposal of subsidiaries	-	<u>531,083</u>
BBBB	Net cash outflows from investing activities	(218,314)	(1,079,387)
Cash flows from financing activities:			
C00100	Increase (decrease) in short-term loans	185,000	(38,608)
C00500	Increase in short-term bills payable	-	50,000
C00600	Decrease in short-term bills payable	-	(50,000)
C01700	Repayment of long-term loans	(450,000)	-
C03000	Increase (decrease) in guarantee deposits received	(22,607)	14,760
C04020	Repayment of lease principal	(13,570)	(11,646)
C04500	Cash dividends distributed	(205,952)	(133,720)
C04900	Purchase of treasury stock	-	(97,768)
CCCC	Net cash outflows from financing activities	(507,129)	(266,982)

(Continued on next page)

(Continued from the previous page)

Code		2021	2020
DDDD	Effect of exchange rate changes on cash and cash equivalents	(\$ 15,990)	(\$ 14,099)
EEEE	Net decrease in cash and cash equivalents	(165,044)	(71,828)
E00100	Cash and cash equivalents at the beginning of year	<u>2,618,337</u>	<u>2,690,165</u>
E00200	Cash and cash equivalents at the end of period	<u>\$ 2,453,293</u>	<u>\$ 2,618,337</u>

Reconciliation of cash and cash equivalents at the beginning of period

Code		December 31, 2020	December 31 2019
E00210	Cash and cash equivalents reported in the balance sheet	\$ 2,607,033	\$ 2,602,762
E00240	Cash and cash equivalents included in disposal groups classified as held for sale	<u>11,304</u>	<u>87,403</u>
E00200	Cash and cash equivalents at the beginning of year	<u>\$ 2,618,337</u>	<u>\$ 2,690,165</u>

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

Chairman: Chang-shiou WU

Manager: Shih-ning TUNG

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 reviewed the Balance Sheets of Chien Kuo Construction Co., Ltd. as of March 31, 2021 and 2020, 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, 2021 and 2020.

We have reviewed the Balance Sheets of Chien Kuo Construction Co., Ltd. as of December 31, 2021 and 2020, 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, 2021 and 2020.

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 generally accepted 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 2021 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 2021 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.

Our major audit procedures executed in response to this key audit matter included understanding the procedures by which the management estimated the total costs of long term construction contracts; 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; and examining whether in the subsequent period the cost of construction contracts were adjusted significantly, and analyzing changes in revenue, costs, and gross profits of each project of construction.

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

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 generally accepted 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 generally accepted 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 2021. 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 28, 2022

Chien Kuo Construction Co., Ltd.

Balance Sheets

December 31, 2021 and 2020

Unit: NT\$ Thousands

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
1100	Cash (Note VI)	\$ 623,118	7	\$ 329,047	4
1110	Financial assets at fair value through profit or loss (Note VII)	303,111	4	605,589	7
1120	Financial assets at fair value through other comprehensive income (Note VIII)	23,126	-	21,231	-
1136	Financial assets measured at amortized cost (Note IX)	148,902	2	292,741	3
1140	Contract assets (Note XIX)	1,622,095	19	1,586,371	19
1150	Notes receivable (Note X)	34,536	-	7,500	-
1170	Accounts receivable (Notes X and XIX)	236,691	3	389,456	5
1200	Other receivables	235	-	51,305	1
1323	Inventories (for construction business) (Notes XI and XXVII)	465,926	6	465,926	6
1410	Prepayments	129,722	2	64,921	1
1470	Other current assets	11,498	-	6,371	-
11XX	Total current assets	<u>3,598,950</u>	<u>43</u>	<u>3,820,458</u>	<u>46</u>
Non-current assets					
1510	Financial assets at fair value through profit or loss (Note VII)	26,100	-	17,100	-
1520	Financial assets at fair value through other comprehensive income (Notes VIII and XXVII)	525,553	6	398,003	5
1550	Investments accounted for using equity method (Note XII)	4,018,205	48	3,839,350	46
1600	Property, Plant, and Equipment	32,357	1	31,262	1
1755	Right-of-use assets (Note XIII)	22,123	-	25,049	-
1760	Investment properties (Notes XIV and XXVII)	77,644	1	97,761	1
1840	Deferred tax assets (Note XXI)	24,069	-	29,616	1
1990	Other non-current assets (Note XXVII)	32,284	1	23,635	-
15XX	Total non-current assets	<u>4,758,335</u>	<u>57</u>	<u>4,461,776</u>	<u>54</u>
IXXX	Total assets	<u>\$ 8,357,295</u>	<u>100</u>	<u>\$ 8,282,234</u>	<u>100</u>
Code	Liabilities and Equity				
Current liabilities					
2100	Short-term loans (Note XV)	\$ 200,000	2	\$ -	-
2130	Contract Liabilities (Note XIX)	287,695	3	86,448	1
2170	Accounts receivable (Notes XVI and XXVI)	1,733,212	21	1,966,847	24
2200	Other payables	270,324	3	209,576	3
2230	Current tax liabilities	37,924	1	20,092	-
2320	Current portion of long-term loans (Note XV)	499,862	6	449,292	5
2399	Other current liabilities (Note XIII)	61,202	1	60,982	1
21XX	Total current liabilities	<u>3,090,219</u>	<u>37</u>	<u>2,793,237</u>	<u>34</u>
Non-current liabilities					
2540	Long-term loans (Note XV)	-	-	499,850	6
2570	Deferred tax Liabilities (Note XXI)	486,280	6	457,330	6
2600	Other non-current liabilities (Notes XIII and XVII)	78,218	1	103,166	1
25XX	Total non-current liabilities	<u>564,498</u>	<u>7</u>	<u>1,060,346</u>	<u>13</u>
2XXX	Total liabilities	<u>3,654,717</u>	<u>44</u>	<u>3,853,583</u>	<u>47</u>
Equity (Note XVIII)					
Capital					
3110	Common stock	<u>2,574,401</u>	<u>31</u>	<u>2,574,401</u>	<u>31</u>
3200	Additional paid-in capital	<u>204,852</u>	<u>2</u>	<u>204,852</u>	<u>2</u>
Retained Earnings					
3310	Legal reserve	682,772	8	645,464	8
3320	Special reserve	46,790	1	23,412	-
3350	Unappropriated earnings	1,181,539	14	1,038,788	13
3300	Total retained earnings	<u>1,911,101</u>	<u>23</u>	<u>1,707,664</u>	<u>21</u>
3400	Other equity	<u>12,224</u>	<u>-</u>	<u>(58,266)</u>	<u>(1)</u>
3XXX	Total equity	<u>4,702,578</u>	<u>56</u>	<u>4,428,651</u>	<u>53</u>
Total liabilities and equity					
		<u>\$ 8,357,295</u>	<u>100</u>	<u>\$ 8,282,234</u>	<u>100</u>

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

Chairman: Chang-shiou WU

Manager: Shih-ning TUNG

Accounting Manager: Lin-Ju LIN

Chien Kuo Construction Co., Ltd.
 Statements of Comprehensive Income
 From January 1 to December 31, 2021 and 2020

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

Code		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (Note XIX)	\$ 5,318,630	100	\$ 6,753,748	100
5000	Operating costs (Notes XX and XXVI)	4,748,454	89	6,300,283	93
5900	Gross profit	570,176	11	453,465	7
6000	Operating expenses (Notes XX and XXVI)	299,484	6	272,776	4
6900	Net operating income	270,692	5	180,689	3
Non-operating income and expenses					
7010	Other revenue (Notes XX and XXVI)	66,079	1	44,882	1
7020	Other gains and losses (Note XX)	8,198	-	(25,523)	-
7050	Finance costs (Notes XX and XXVI)	(9,089)	-	(11,081)	-
7060	Shares of profits or loss of associates accounted for using equity method (Note XII)	151,791	3	239,891	3
7000	Total non-operating income and expenses	216,979	4	248,169	4
7900	Income before income tax	487,671	9	428,858	7
7950	Income tax expense (Note XXI)	82,521	1	54,953	1
8200	Net income	405,150	8	373,905	6

(Continued on next page)

(Continued from the previous page)

Code	Description	2021		2020	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note XVII)	\$ 2,318	-	(\$ 936)	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	49,650	1	(16,501)	-
8330	Shares of other comprehensive income from subsidiaries accounted for using equity method	1,309	-	(3,351)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss (Note XXI)	(463)	-	187	-
8360	Items that may be reclassified subsequently to profit or loss:				
8380	Shares of other comprehensive income from subsidiaries accounted for using equity method	27,394	-	(53,363)	(1)
8399	Income tax related to items that will be reclassified subsequently to profit or loss (Note XXI)	(5,479)	-	10,465	-
8300	Other comprehensive income (after tax)	74,729	1	(63,499)	(1)
8500	Total comprehensive income	\$ 479,879	9	\$ 310,406	5
	Earnings per share (Note XXII)				
9750	Basic	\$ 1.57		\$ 1.43	
9850	Diluted	\$ 1.57		\$ 1.43	

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

Chairman: Chang-shiou WU Manager: Shih-ning TUNG Accounting Manager: Lin-Ju LIN

Code	Description	Balance as of January 1, 2020		Appropriation and distribution of retained earnings for 2019		Retained Earnings		Other equity							
		Capital	Additional paid-in capital	\$ 2,674,401	\$ 201,627	Legal reserve	\$ 626,554	Unappropriated earnings	\$ 800,246	Exchange differences on translation of financial statements of foreign operations	\$ 1,042	Financial Assets at Fair Value through Other Comprehensive Income	\$ 182,531	Treasury stock	\$ 4,348,740
B1	Legal reserve	-	-	-	-	18,910	-	(18,090)	-	-	-	-	-	-	-
B1/7	Reversal of special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B5	Cash dividends appropriated to shareholders - NT\$0.50 per share	-	-	-	-	-	-	(133,720)	-	-	-	(133,720)	-	-	-
B1/7	Reversal of special reserve due to disposal of subsidiaries	-	-	-	-	-	(8,499)	8,499	-	-	-	-	-	-	-
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income by associates	-	-	-	-	-	(8,573)	-	-	-	-	-	-	-	-
M5	Acquired part of the equity of subsidiary	-	993	-	-	-	-	-	-	-	-	-	-	-	993
L1	Purchase of treasury stock	-	-	-	-	-	-	-	-	(97,768)	(97,768)	-	-	-	-
L3	Retirement of treasury stock	(100,000)	2,232	-	-	-	-	-	-	-	97,768	-	-	-	-
D1	Net income for 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D3	Other comprehensive income (net of tax) for 2020	-	-	-	-	-	-	(749)	(41,856)	(19,852)	(1,042)	-	-	-	373,905
DS	Total comprehensive income in 2020	-	-	-	-	-	-	-	(41,856)	(19,852)	(1,042)	(63,499)	-	-	310,406
Z1	Balance as of December 31, 2020	2,574,401	204,832	645,464	23,412	1,038,788	(229,518)	171,252	-	-	-	-	-	-	4,428,651
Appropriation and distribution of retained earnings for 2020.															
B1	Legal reserve	-	-	-	-	37,308	-	(37,308)	-	-	-	-	-	-	-
B1/7	Special reserve	-	-	-	-	34,854	-	(34,854)	-	-	-	-	-	-	-
B5	Cash dividends - NT\$0.80 per share	-	-	-	-	-	(205,952)	-	-	-	-	(205,952)	-	-	-
B1/7	Reversal of special reserve due to disposal of subsidiaries	-	-	-	-	(11,476)	11,476	-	-	-	-	-	-	-	-
Q1	Disposal of equity instruments measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	-	2,384	-	(2,384)	-	-	-	-	-	-
D1	Net income for 2021	-	-	-	-	-	405,150	-	-	-	-	-	-	-	405,150
D3	Other comprehensive income (net of tax) for 2021	-	-	-	-	-	1,855	-	21,915	-	-	-	-	-	24,729
DS	Total comprehensive income in 2021	-	-	-	-	-	-	(407,005)	21,915	-	-	-	-	-	479,879
Z1	Balance as of December 31, 2021	\$ 2,574,401	\$ 204,832	\$ 682,772	\$ 46,790	\$ 1,181,539	(\$ 207,603)	\$ 219,827	\$ 219,827	\$ 219,827	\$ 219,827	\$ 4,702,578	\$ 4,702,578	\$ 4,702,578	\$ 4,702,578

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

Manager: Shih-ning TUNG

Accounting Manager: Lin-Ju Lin

Chaitin: Change-shew Wu

Chien Kuo Construction Co., Ltd.
 Statements of Cash Flows
 From January 1 to December 31, 2021 and 2020

Unit: NT\$ Thousands

Code		2021	2020
	Cash flows from operating activities		
A10000	Income before income tax	\$ 487,671	\$ 428,858
A20010	Adjustments to reconcile income (loss):		
A22400	Shares of profits or loss of subsidiaries and associates accounted for using equity method	(151,791)	(239,891)
A21300	Dividend income	(38,807)	(22,755)
A20100	Depreciation expense	19,608	17,322
A20400	Net gain on financial assets at fair value through profit or loss	(17,223)	(14,617)
A20900	Finance costs	9,089	11,081
A23200	Gain on disposal of associates accounted for using equity method	-	(3,510)
A24600	Impairment loss on investment properties	-	2,252
A22700	Loss (gain) on disposal of investment properties	(62)	1,838
A21200	Interest income	(4,435)	(1,197)
A20200	Amortization expenses	295	1,011
A29900	Profit from lease modification	-	(96)
A22500	Loss on disposal of property, plant and equipment, net	-	3
A30000	Changes in operating assets and liabilities, net		
A31125	Contract assets	(35,724)	(287,491)
A31130	Notes receivable	(27,036)	5,625
A31150	Accounts receivable	152,765	188,590
A31180	Other receivables	6,523	(22)
A31200	Construction in Progress	-	(2,349)
A31230	Prepayments	(64,801)	31,653
A31240	Other current assets	(5,127)	(1,092)
A32125	Contract liability	201,247	(159,248)
A32150	Accounts payable	(233,635)	417,124
A32180	Other payables	(10,536)	56,237
A32230	Other current liabilities	(1,119)	4,348
A32990	Other non-current liabilities	(372)	(335)
A33000	Cash inflow generated from operations	286,530	433,339
A33100	Interest received	4,477	1,174
A33300	Interest paid	(7,133)	(10,206)
A33500	Income taxes paid	(36,134)	(94,057)
AAAA	Net cash inflow from operating activities	<u>247,740</u>	<u>330,250</u>

(Continued on next page)

(Continued from the previous page)

Code		2021	2020
	Cash flows from investment activities		
B00100	Acquisition of financial assets at fair value through profit or loss	(\$ 915,464)	(\$ 725,964)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	1,341,336	89,371
B00050	Disposal of financial assets at amortized cost	143,839	-
B00010	Acquisition of financial assets at fair value through other comprehensive income	(79,795)	-
B00040	Acquisition of financial assets at amortized cost	-	(292,741)
B01900	Net cash inflow from disposal of associates	-	12,250
B02200	Net cash outflow from disposal of subsidiaries	(200,000)	(407,858)
B02300	Net cash flows from disposal of subsidiaries	-	5,767
B02400	Capital reduction of subsidiaries and refund of shares	176,829	120,000
B02700	Acquisition of property, plant and equipment	(6,940)	(3,429)
B03800	Increase in refundable deposits	(183)	(4,190)
B04500	Acquisition of intangible assets	(1,600)	-
B05500	Proceeds from disposal of investment properties	19,221	47,618
B06700	Increase in pledged certificate of deposit	-	16,500
B07600	Dividend received	<u>56,456</u>	<u>991,513</u>
BBBB	Net cash inflows (outflows) from investing activities	<u>533,699</u>	(151,163)
	Cash flows from financing activities:		
C00100	Increase in short-term loans	200,000	-
C00500	Increase in short-term bills payable	-	50,000
C00600	Decrease in short-term bills payable	-	(50,000)
C01700	Repayment of long-term loans	(450,000)	-
C03000	Increase (decrease) in guarantee deposits received	(18,654)	11,695
C04020	Repayment of lease principal	(12,762)	(10,934)
C04500	Cash dividends distributed	(205,952)	(133,720)
C04900	Purchase of treasury stock	<u>-</u>	(97,768)
CCCC	Net cash outflows from financing activities	(487,368)	(230,727)
EEEE	Net increase (decrease) in cash	294,071	(51,640)
E00100	Cash at the beginning of year	<u>329,047</u>	<u>380,687</u>
E00200	Cash at the end of year	<u>\$ 623,118</u>	<u>\$ 329,047</u>

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

Chairman: Chang-shiou WU Manager: Shih-ning TUNG 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.</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><u>The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</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.</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>	In accordance with the amendment of Article CLXXII-II of Company Act
Article XXVI	<p>The Company's Articles of Incorporation was established on October 15, 1960.</p> <p>Amended firstly on September 30, 1969.</p> <p>Amended for the thirty-eighth time on June 22, 2021.</p> <p><u>Amended for the thirty-ninth time on June 21, 2022.</u></p>	<p>The Company's Articles of Incorporation was established on October 15, 1960.</p> <p>Amended firstly on September 30, 1969.</p> <p>Amended for the thirty-eighth time on June 22, 2021.</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><u>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.</u></p> <p><u>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></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>	Amended in accordance with the amendment of Article III, VI, VI-I of XXX Co., Ltd. Rules of Procedure for Shareholders Meetings promulgated by the competent authority.
Article II	<p><u>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 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.</u></p> <p><u>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.</u></p> <p><u>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.</u></p>	<p>Shareholders attending the Meeting shall submit the attendance card for the purpose of signing in.</p> <p>The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p>	Amended in accordance with the amendment of Article VI, IX of XXX Co., Ltd. Rules of Procedure for Shareholders Meetings promulgated by the competent authority.

Article III	<p>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;</p> <p>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</p> <p>unless an explicit statement to revoke the previously written proxy is made in the proxy which comes later.</p> <p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person <u>or attend the shareholders meeting online</u> 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.</p> <p><u>When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article II 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.</u></p>	<p>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;</p> <p>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</p> <p>unless an explicit statement to revoke the previously written proxy is made in the proxy which comes later.</p> <p>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person 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.</p>	Amended in accordance with the amendment of Article XIII of XXX Co., Ltd. Rules of Procedure for Shareholders Meetings promulgated by the competent authority.
Article IV	<p>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.</p> <p><u>The restrictions on the place of the</u></p>	<p>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.</p>	Amended in accordance with the amendment of Article V, XX of XXX Co., Ltd.

	<u>meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</u>		Rules of Procedure for Shareholders Meetings promulgated by the competent authority.
Article VIII	<p>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 CLXXXIX of the Company Act, these recorded tapes shall be archived until the conclusion of the lawsuit.</p> <p><u>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by 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.</u></p>	<p>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 CLXXXIX of the Company Act, these recorded tapes shall be archived until the conclusion of the lawsuit.</p>	Amended in accordance with the amendment of Article VIII of XXX Co., Ltd. Rules of Procedure for Shareholders Meetings promulgated by the competent authority.
Article IX	<p>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 I, Article CLXXV of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <u>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 II.</u> 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 CLXXIV of the Company Act of the Republic of China.</p>	<p>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 after two (2) postponements, no quorum can yet be constituted, but the shareholders present at the Meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Paragraph I, Article CLXXV of the Company Act of the Republic of China.</p> <p>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 CLXXIV of the Company Act of the Republic of China.</p>	Amended in accordance with the amendment of Article IX of XXX Co., Ltd. Rules of Procedure for Shareholders Meetings promulgated by the competent authority.
Article XIV	<p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. <u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open</u></p>	<p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	Amended in accordance with the amendment of Article XI of XXX Co., Ltd. Rules of Procedure

	<p><u>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.</u></p>		for Shareholders Meetings promulgated by the competent authority.
Article XVI	<p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.</p> <p>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.</p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately and immediately disclose them on the video conference platform of the shareholders' meeting.</u></p> <p>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.</p> <p>The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>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.</p>	<p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.</p> <p>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.</p> <p>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.</p> <p>The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>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.</p>	Amended in accordance with the amendment of Article XIII, XIX of XXX Co., Ltd. Rules of Procedure for Shareholders Meetings promulgated by the competent authority.

**Comparison Table for the Procedures for the Acquisition or Disposal of Assets
before and after Revision**

Paragraph/Article	Provisions after Revision	Current Provisions	Explanation
5.1.4	<p>Procedures for handling securities investments</p> <p>1.) Evaluation and Operating Procedures: Investments in securities are made in accordance with the Company's internal control investment cycle and in accordance with the relevant regulations of the Securities and Exchange Act.</p> <p>2.) Procedures for determining the transaction terms</p> <p>(1) The acquisition or disposal of marketable securities shall be determined by the responsible unit in consideration of market factors such as the net worth per share, profitability, and future development potential. Where the single transaction amount reaches NT\$100 million or more, such transaction shall be carried out only after being reported to and approved by the Board of Directors; where the single transaction value does not exceed NT\$500 million, such transaction is determined by the Chief Investment Officer as authorized by the Board of Directors (in case the Chief Investment Officer has delegated another party, it is subject to the decision of such person).</p> <p>(2) Deleted.</p> <p>(3) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>(4) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. If the transaction amount is less than 20% of the Company's paid-in capital and NT\$300 million, the board of directors shall authorize the chairman of the board of directors to decide on the transaction (if the chairman of the board of</p>	<p>Procedures for handling securities investments</p> <p>1.) Evaluation and Operating Procedures: Investments in securities are made in accordance with the Company's internal control investment cycle and in accordance with the relevant regulations of the Securities and Exchange Act.</p> <p>2.) Procedures for determining the transaction terms</p> <p>(1) The acquisition or disposal of marketable securities shall be determined by the responsible unit in consideration of market factors such as the net worth per share, profitability, and future development potential. Where the single transaction amount reaches NT\$100 million or more, such transaction shall be carried out only after being reported to and approved by the Board of Directors; where the single transaction value does not exceed NT\$500 million, such transaction is determined by the Chief Investment Officer as authorized by the Board of Directors (in case the Chief Investment Officer has delegated another party, it is subject to the decision of such person).</p> <p>(2) Deleted.</p> <p>(3) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If an accountant adopts another expert report, he or she shall comply with the provisions of <u>Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation of the Republic of China</u>. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>(4) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price, <u>the accountant shall comply with the provisions of Statement of</u></p>	<p>In line with the amendment of Article X and XI of Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

	<p>directors has another authorization, he/she shall follow the authorization).</p> <p>(5) (Omitted) (6) (Omitted) (7) (Omitted)</p>	<p><u>Auditing Standards No. 20 issued by the Accounting Research and Development Foundation of the Republic of China</u>. If the transaction amount is less than 20% of the Company's paid-in capital and NT\$300 million, the board of directors shall authorize the chairman of the board of directors to decide on the transaction (if the chairman of the board of directors has another authorization, he/she shall follow the authorization).</p> <p>(5) (Omitted) (6) (Omitted) (7) (Omitted)</p>	
5.1.5	<p>Content of the announcement:</p> <p>1.) Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>(4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>(A) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(B) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>(5) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction</p>	<p>Content of the announcement:</p> <p>1.) Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>(4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>(A) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(B) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>(5) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the</p>	<p>In line with the amendment of Article XXXI of Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

	<p>counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>(6) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(A) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</p> <p>(B) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(C) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(8)(Omitted)</p>	<p>transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>(6) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(A) Trading of domestic government bonds.</p> <p>(B) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(C) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(8)(Omitted)</p>	
5.1.7	<p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1.) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the</p>	<p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1.) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance</p>	<p>In line with the amendment of Article V and IX of Regulations Governing the Acquisition and Disposal of Assets by Public Companies</p>

	<p>board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2.) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3.) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4.) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>5.) Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>(1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>(2) May not be a related party or de facto related party of any party to the transaction.</p> <p>(3) If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de</p>	<p>by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2.) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3.) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant <u>shall comply with the provisions of Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as the ARDF)</u> and shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4.) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>5.) Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>(1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>(2) May not be a related party or de facto related party of any party to the transaction.</p>	
--	--	--	--

	<p>facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:</p> <ol style="list-style-type: none"> (1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. (2) When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. (3) They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. (4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations. <p>6.) Except where a limited price, specified price, or special price is employed as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph <u>shall be obtained within 2 weeks counting inclusively from the day the appraisal report is obtained</u>.</p>	<p>(3) If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following provisions:</p> <ol style="list-style-type: none"> (1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. (2) When <u>reviewing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. (3) They shall undertake an item-by-item evaluation of the completeness, correctness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. (4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and correct, and that they have complied with applicable laws and regulations. <p>6.) Except where a limited price, specified price, or special price is employed as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph is obtained.</p>	
5.1.9	<p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and Board of Directors:</p> <ol style="list-style-type: none"> 1.) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2.) The reason for choosing the related party as a transaction counterparty. 	<p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and Board of Directors:</p> <ol style="list-style-type: none"> 1.) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2.) The reason for choosing the related party as a 	In line with the amendment of Article XV of Regulations Governing the Acquisition and Disposal of Assets by Public Companies

	<p>3.) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with 5.1.10 and 5.1.11.</p> <p>4.) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>5.) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6.) <u>An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</u></p> <p>7.) Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>With respect to the types of transactions listed below, when to be conducted between the Company and subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to 5.1.2 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</u></p> <p><u>Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</u></p> <p><u>Acquisition or disposal of real property right-of-use assets held for business use.</u></p> <p>Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Where an audit committee has been established in accordance with the provisions of the Act, the matters for which paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of 5.1.1 4.) and 5.).</p> <p><u>If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p><u>The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with 5.1.5 herein, and "within the preceding year" as used herein refers to the year preceding the date of</u></p>	<p>transaction counterparty.</p> <p>3.) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with 5.1.10 and 5.1.11.</p> <p>4.) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>5.) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6.) Restrictive covenants and other important stipulations associated with the transaction.</p>	
--	--	--	--

	<u>occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the supervisors need not be counted toward the transaction amount.</u>		
5.1.33	If the Company's Procedures for the Acquisition or Disposal of Assets are not completed, all matters shall be handled in accordance with the letter No. <u>1110380465</u> of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies " issued by the Financial Supervisory Commission of the Executive Yuan on <u>January 28, 2022</u> .	If the Company's Procedures for the Acquisition or Disposal of Assets are not completed, all matters shall be handled in accordance with the letter No. <u>10703410725</u> of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies " issued by the Financial Supervisory Commission of the Executive Yuan on <u>November 26, 2018</u> .	In line with the amendment of Article XXXVI of Regulations Governing the Acquisition and Disposal of Assets by Public Companies

Chapter 7. 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 Equipments
- XI. F217010 Retail Sale of Fire Fighting Equipments
- 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 Equipments Construction
- XXI. E603040 Fire Fighting Equipments Construction
- XXII. IF01010 Fire Fighting Equipments Overhauling
- XXIII. IG03010 Energy Technical Services
- XXIV. F113100 Wholesale of Pollution Controlling Equipments
- XXV. F213100 Retail Sale of Pollution Controlling Equipments
- 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 Equipments 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 XXVIII 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 depository 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, abolishment, 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
 - 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.
 - The Company's employee stock option certificates may only be transferred to employees of the parent or subsidiaries who meet certain criteria.
 - The Company's issuance of new shares may only be subscribed by employees of the parent or subsidiaries who meet certain criteria.

The Company's restricted stock awards (RSA) may only be issued to employees of the parent or subsidiaries who meet certain criteria.

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. Shareholders' meetings of the Company are of two kinds:

- (I) Regular shareholders' meeting; and
- (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.

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.

Article 11. 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.

Article 12. 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.

Article 13. 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.

Chapter 4. Director

Article 14. The Company shall have 9 - 13 directors, elected using the candidate nomination system in the manner as prescribed by Article CXCII-I 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.

Article 14-1 Among the seats of directors as stated in the preceding paragraph, the seats of independent directors shall be no less than **three** people or one-fifth of the seats of directors. 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.

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 XXIX 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 firstly on September 30, 1969.
Amended secondly on December 14, 1971.
Amended thirdly on March 17, 1974.
Amended fourthly on June 16, 1974.
Amended fifthly on March 20, 1976.
Amended sixthly 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 20, 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.

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 29, 2018

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.

Article 2. Shareholders attending the Meeting shall submit the attendance card for the purpose of signing in.
The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in 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 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.

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.

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 CLXXXIX of the Company Act, these recorded tapes shall be archived until the conclusion of the lawsuit.

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 after two (2) postponements, no quorum can yet be constituted, but the shareholders present at the Meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Paragraph I, Article CLXXV of the Company Act of the Republic of China.
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 CLXXIV 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.

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.
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.

Shareholdings of All Directors

Book closure date: April 23, 2022

Title	Name	Date elected	No. of shares documented on the shareholders roster
Chairperson	Chien Hwei Investment Co., Ltd. Representative: Chang-shiou WU	2021.07.22	46,011,532 Shares
Vice Chairperson	Chi-te CHEN	2021.07.22	18,844,139 Shares
Directors	Pang-yen YANG	2021.07.22	1,393,166 Shares
Directors	Chung CHENG	2021.07.22	0 Shares
Directors	Chu-hsin LEE	2021.07.22	0 Shares
Directors	Tzu-chiang YANG	2021.07.22	0 Shares
Directors	Jianxiang Investment Co., Ltd. Representative: Jui-hsing	2021.07.22	578,400 Shares
Directors	Yu-jui CHANG	2021.07.22	1,209,804 Shares
Directors	Chi-hsin CHEN	2021.07.22	1,530,316 Shares
Directors	Chien Hwei Investment Co., Ltd. Representative: 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	69,567,357 Shares

Note: The total number of issued shares of the Company as of April 23, 2022 was 257,440,105 shares.

The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate: Not applicable.