

Stock Code: 5515



Chien Kuo Construction Co., Ltd.

2021 Annual Shareholders' Meeting

Meeting Agenda Handbook

Time: 9:00 a.m., June 23, 2021

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

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Chapter 1. Meeting Agenda

Chien Kuo Construction Co., Ltd.

2021 Annual Shareholders' Meeting Agenda

Time: 9:00 a.m., June 23, 2021 (Wednesday)

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

Meeting Procedures:

I. Report the Attending Shares

II. Call Meeting to Order

III. Chairman's Address

IV. Report Items

1. The Company's 2020 Business Report.
2. Audit Committee's Audit Report on the 2020 Final Accounting Books.
3. Report on the distribution of compensation to employees and remuneration to directors for 2020.

V. Ratified Items and Discussion Items

1. To adopt the Company's 2020 Annual Business Report, Financial Statements, and Consolidated Financial Statements.
2. To adopt the Company's 2020 Earnings Distribution Proposal.
3. To discuss the amendment to the Company's Articles of Incorporation.
4. To discuss the amendment to the Company's Procedures for Election of Directors.
5. To discuss the amendment to the Company's Rules and Procedures of Shareholders' Meeting.
6. To discuss the amendment to the Company's Procedures for the Acquisition or Disposal of Assets.

VI. Election

To elect the 22nd-term Board of Directors.

VII. Others

To release newly elected directors and corporate representatives from non-compete restrictions.

VIII. Extempore Motion

IX. Adjournment

Chapter 2. Report Items

Report Item No. 1

Subject: The Company's 2020 Business Report

Explanation:

2020 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 2020 annual consolidated revenue was NT\$6,762,818 thousand, an increase of 42% over 2019. The net profit attributable to shareholders of the Company was NT\$373,905 thousand, an increase of 108% over 2019. Earnings per share was NT\$1.43. The following is a summary report of the Company's 2020 consolidated business results.

(I) Operational Highlight

Unit: NT\$1,000

Unit: NT\$ Thousands

Item	2020	2019	Growth
Operating revenue	6,762,818	4,773,012	42%
Operating costs	6,250,304	4,431,879	41%
Gross profit	512,514	341,133	50%
Operating expenses	290,643	270,130	8%
Net operating income (loss)	221,871	71,003	212%
Non-operating income and expense	161,941	45,549	256%
Profit before tax of continuing operations	383,812	116,552	229%
Net income from continuing operations	301,975	51,336	488%
Profit from discontinued operations	72,769	128,228	-43%
Net income	374,744	179,564	109%
Net income attributable to non-controlling interest	839	(71)	-1282%
Net income attributable to shareholders of the Company	373,905	179,635	108%

- ✓ The Board of Directors approved the disposal of the entire equity interest in Wuxi Jianbang Concrete Limited Company in July 2020 and later signed the disposal contract in August 2020.

Currently, the Company focuses on the construction business. The annual operating results of the concrete business are presented by the profit or loss from discontinued operations.

- ✓ Revenue increased by 42% in 2020 over 2019 and gross profit increased by 50% over the previous year, which was primarily due to the fulfillment of several office building projects ahead of schedule.
- ✓ The difference in non-operating income and expense between the two years was mainly due to an increase in gains on the disposal of subsidiaries in 2020.

(II) Cash Flows and Profitability Analysis

1. Cash Flows

Unit: NT\$ Thousands

Item	Amount
Net cash provided by operating activities	1,288,640
Net cash outflow from the investing activities	(1,079,387)
Net cash outflow from the investing activities	(266,982)
Effect of exchange rate changes on cash and cash equivalents	(14,099)
Cash reduction in current period	(71,828)
Cash amount - beginning of the year	2,690,165
Cash amount - end of the year	2,618,337

- ✓ Net cash flows generated from operating activities mainly came from the collection of accounts receivable in the concrete business
- ✓ Net cash flows used in investing activities were mainly used in investments in financial assets.
- ✓ Net cash flows used in financing activities were mainly used in the buyback of treasury stock, distribution of cash dividends, and repayment of long-term borrowings.

2. Profitability Analysis

Item		2020
Return on assets		4.3%
Return on equity		8.5%
Ratio of paid-in capital	Operating income	8.6%
	Income before tax	14.9%
Net profit margin		5.5%
Earnings per share (NT\$)		1.43

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 2020, it has obtained 20 new patents.

IV. Outlook

Global supply chains are undergoing fundamental restructuring amid the China-U.S. trade war, accelerating the repatriation of funds to Taiwan by manufacturing companies operating in China; meanwhile, central banks in countries around the world have adopted vast quantitative easing plans in the wake of the COVID-19 pandemic, causing the real estate industry to heat up again. To build 200,000 public housing units within 8 years, the government has planned the second-phase construction sites for 50 projects, offering 15,000 public housing units across Taiwan. The overall construction market is booming. Looking forward to 2021, the construction business will expand its business to include plants, composite commercial facilities, and turn-key business by integrating the professional capacities of electro-mechanics and BIM. Along with the construction experience and emerging technologies gained, the construction business will focus on optimization of construction quality, improvement in information service regarding the management of construction projects, and proactively expanding the plants business for its manufacturing operation, so as to become a strategic partner for excellent real estate companies.

Chairman: Chang-shiou WU Manager: Chang-shiou WU Accounting Manager: Shu-fen YANG

Report Item No. 2

Subject: Audit Committee's Audit Report on the 2020 Final Accounting Books

Explanation: I. The Board of Directors has prepared the 2020 Financial Statements in accordance with Article 228 of the Company Act. Such Financial Statements have been audited and certified by Deloitte & Touche Taiwan. The Financial Statements, along with the Business Report and Earnings Distribution Proposal, have been submitted to and audited by the Audit Committee.

II. Request members of the Audit Committee to read out the Audit Report.

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

Both the 2020 Consolidated Financial Statements and the 2020 Standalone Financial Statements prepared and submitted by the Board of Directors have been audited by CPA Wen-qing LIN and CPA Chun-hung CHEN 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

The 2021 Annual Shareholders' Meeting of the Company

Chien Kuo Construction Co., Ltd.

Convener of the Audit Committee: Chin-pao TSAI

March 25, 2021

Report Item No. 3

Subject: Report on the distribution of compensation to employees and remuneration to directors for 2020

- Explanation: I. Pursuant to Article 23 of the Articles of Incorporation, the Company shall appropriate 0.1% to 3% of its pre-tax income (before compensations to employees and remunerations to directors are deducted) as employee compensations, and no greater than 3% of such pre-tax income as remuneration to directors.
- II. It is proposed to allocate 3% of the pre-tax income (before netting off the amount of compensation to employees and remuneration to directors) as employee compensation equal to NT\$13,686 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\$13,686 thousand paid in cash in accordance with the Company's Regulations Governing Allocation and Payment of Remuneration to Directors.

Chapter 3. Ratified Items and Discussion Items

Proposal No. 1 Proposed by the Board of Directors

Subject: To adopt the Company's 2020 Annual Business Report, Financial Statements, and Consolidated Financial Statements

Explanation: I. The Company's 2020 Annual Business Report, Consolidated Financial Statements, and Standalone Financial Statements have been prepared; for the Consolidated Financial Statements and Standalone Financial Statements with the seals affixed by the Chairman, managers, and chief auditors, please see Attachment I on #pages 9 to 32# of the Meeting Agenda Handbook.

II. The aforementioned Consolidated Financial Statements and Standalone Financial Statements have been audited by CPA Wen-Qing LIN and CPA Chun-hung CHEN 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 2020 Earnings Distribution Proposal

Explanation: I. The Financial Statements of the Company for 2020 have been audited by Deloitte & Touche Taiwan. The beginning balance of undistributed earnings was NT\$665,705,463; the net income after tax (NIAT) for the year was NT\$373,906,366, plus the reversal of special reserves from the initial application of IFRS 9 in the amount of NT\$8,499,969, and remeasurement of the defined benefit plan for the current year recognized under retained earnings in the amount of NT\$(748,777), and the gain/loss on equity instrument investments at fair value through other comprehensive income in the amount of NT\$(8,572,685); 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\$373,084,873. The provision of legal reserve in the amount of was NT\$(37,308,487) and the special reserves provided according

to the law was NT\$(34,854,469); the distributable earnings for the year in the amount of NT\$966,627,380 is to be distributed in accordance with the requirements of the Articles of Incorporation.

II. The 2020 Earnings Distribution Proposal is to distribute to shareholders the cash dividends in the amount of NT\$205,952,084, or, NT\$0.8 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 2020 Earnings Distribution Proposal is presented in the following table:

Chien Kuo Construction Co., Ltd.
2020 Earnings Distribution Proposal

Item	Amount
Undistributed earnings - beginning	665,705,463
Profit after tax for the year	373,906,366
Reversal of special reserves from the initial application of IFRS 9	8,499,969
Remeasurement of defined benefit plans recognized under retained earnings	(748,777)
Gain/loss on equity instrument investments at fair value through other comprehensive income directly transferred to retained earnings	(8,572,685)
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	373,084,873
Provision of legal reserve (10%)	(37,308,487)
Special reserves provided according to the law	(34,854,469)
Distributable earnings - ending	966,627,380
Distribution items	
Dividends to shareholders at NT\$0.8 per share	(205,952,084)
Undistributed earnings - ending	760,675,296

Chairman: Chang-shiou WU Manager: Chang-shiou WU Accounting Manager: Shu-fen YANG

- 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. In accordance with Article 162 of the Company Act, it is proposed to amend some of the provisions of the Articles of Incorporation of the Company. For the comparison table of the provisions before and after revision, please refer to Attachment II on #page 33# of the Meeting Agenda Handbook.

II. Please discuss.

Resolution:

Proposal No. 4 Proposed by the Board of Directors

Subject: To discuss the amendment to the Company's Procedures for Election of Directors

Explanation: I. In accordance with the Sample Template for XXX Co., Ltd. Procedures for Election of Directors promulgated by the competent authority, it is proposed to amend some of the provisions of the Procedures for Election of Directors of the Company. For the comparison table of the provisions before and after revision, please refer to Attachment III on #pages 34 to 35# 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 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 36 to 37# of the Meeting Agenda Handbook.

II. Please discuss.

Resolution:

Proposal No. 6 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. Due to the needs of business development, it is proposed to amend some of the provisions of the Procedures for the Acquisition or Disposal of Assets of the Company. For the comparison table of the provisions before and after revision, please refer to Attachment V on #pages 38 to 41# of the Meeting Agenda Handbook.

II. Please discuss.

Resolution:

Chapter 4. Election

Subject: To elect 13 directors (including 3 independent directors) of the 22nd-term Board of Directors

Explanation: I. The term of service of the Company's 21st-term Board of Directors will expire on June 28, 2021. It is proposed to reelect the directors in the 2021 Annual Shareholder's Meeting in accordance with the Company Act and relevant laws and regulations.

II. The Company convened a Board meeting on March 25, 2021 to elect 13 directors (including 3 independent directors) in the 2021 Annual Shareholders' Meeting.

III. Elect directors will immediately assume their positions upon the end of the 2021 Annual Shareholders' Meeting, with the term of office beginning on June 23, 2021 and ending on June 22, 2024. The directors are eligible for re-election.

- IV. The list of candidates for directors and independent directors has been reviewed and approved by the Board of Directors on May 13, 2021. Please refer to Attachment VI on #pages 42 to 43# of the Meeting Agenda Handbook.

Please elect:

Chapter 5. Others

Proposal No. 1 Proposed by the Board of Directors

Subject: To release newly elected directors and corporate representatives from non-compete restrictions

- Explanation: I. According to Article 209 of the Company Law, "a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
- II. If the newly elected 22nd-term directors (including corporate shareholders and their designated representatives), independent directors invest or operate in other companies with the same or similar business scope as the Company and serve as directors or managerial officers of such companies, it is proposed according to law to release them from non-compete restrictions.
- III. Please discuss.

Resolution:

Chapter 6. Extempore Motion

Chapter 7. Adjournment

Chapter 8. Attachments

Statement regarding the consolidated financial statements of affiliated enterprises

For the year 2020 (from January 1 to December 31, 2020), the Company's entities that are required to be included in the consolidated financial statements of affiliated enterprises under the "Criteria Governing Preparation of Consolidated Business Report of Affiliated Enterprises, Consolidated Financial Statements of Affiliated Enterprises, and Affiliation Reports" are the same as those required to be included in the parent-subsidary consolidated financial statements under the International Financial Reporting Standards 10. Moreover, the related information required to be disclosed for the consolidated financial statements of affiliated enterprises has been fully disclosed in the aforementioned parent-subsidary consolidated financial statements. Consequently, a separate set of consolidated financial statements of affiliated enterprises is not prepared.

Hereby declare by

Company Name: Chien Kuo Construction Co. Ltd.

Responsible person: Chang-shiou Wu

March 25, 2021

Independent Auditors' Report

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

Audit Opinions

We have audited the Consolidated Balance Sheets of Chien Kuo Construction Co., Ltd. and its subsidiaries as of December 31, 2020 and 2019, 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, 2020 and 2019.

In our opinion, the aforementioned Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of Chien Kuo Construction Co., Ltd. as of December 31, 2020 and 2019, and its consolidated financial performance and consolidated cash flows for the annual periods ended December 31, 2020 and 2019 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 for the year ended December 31, 2020 in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants," and the generally accepted auditing standards. And, we conducted our audit of the financial statement for the year ended December 31, 2019 in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants," Order No. 1090360805 issued by the Financial Supervisory Commission on February 25, 2020, 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 2020 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 2020 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 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 Individual Financial Statements for 2020 and 2019, 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 2020. 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 & Touche

CPA: Wen-chin Lin

CPA: Chun-hung Chen

Securities and Futures Bureau Approval
Document No.:

Taiwan-Finance-Securities-VI-092012378
4

Financial Supervisory Commission Approval
Document No.:

Financial-Supervisory-Securities-Auditing-09
90031652

March 25, 2021

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2020 and 2019

Unit: NT\$ Thousands

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note VI)	\$ 2,607,033	29	\$ 2,602,762	31
1110	Financial assets at fair value through profit or loss (Note VII)	1,745,016	19	120,073	1
1120	Financial assets at fair value through other comprehensive income (Note VIII)	24,569	-	49,567	1
1136	Financial assets measured at amortized cost (Note IX and XXXII)	292,741	3	140,922	2
1139	Financial assets for hedging (Note XXX)	-	-	1,011	-
1140	Contract assets (Note XXII)	1,928,426	21	1,298,880	15
1150	Notes receivable (Note X)	89,256	1	204,179	2
1170	Accounts receivable (Notes X and XXII)	480,496	5	2,126,231	25
1200	Other receivables	155,105	2	19,778	-
1220	Current tax assets	110,592	1	25,642	-
1310	Inventories	-	-	29,402	-
1323	Inventories (for construction business) (Notes XI and XXXII)	465,926	5	463,577	6
1410	Prepayments (Note XII)	53,591	1	419,594	5
1460	Non-current assets classified as held for sale (Note XIV)	457,839	5	140,725	2
1470	Other current assets	6,376	-	5,564	-
11XX	Total current assets	8,416,966	92	7,647,907	90
	Non-current assets				
1510	Financial assets at fair value through profit or loss (Note VII)	67,355	1	75,969	1
1517	Financial assets at fair value through other comprehensive income (Notes VIII and XXXII)	398,003	5	410,826	5
1535	Financial assets measured at amortized cost (Note IX and XXXII)	5,696	-	5,996	-
1550	Investments accounted for using equity method	-	-	9,652	-
1600	Property, plant, and equipment (Notes XV and XXXII)	33,577	1	126,042	1
1755	Right-of-use assets (Notes XVI and XXXII)	25,049	-	59,128	1
1760	Investment property (Notes XVII and XXXII)	122,643	1	175,427	2
1840	Deferred tax assets	30,965	-	17,021	-
1990	Other non-current assets (Note XXXII)	23,653	-	15,461	-
15XX	Total non-current assets	706,941	8	895,522	10
1XXX	Total assets	\$ 9,123,907	100	\$ 8,543,429	100
	Liabilities and Equity				
	Current liabilities				
2100	Bank loans (Note XVIII and XXXII)	\$ 15,000	-	\$ 53,750	1
2130	Contract liabilities (Note XXII)	435,964	5	261,026	3
2150	Notes payable	10,120	-	143,189	2
2170	Accounts payable (Note 19)	1,810,129	20	1,712,414	20
2200	Other payables	242,799	3	235,798	3
2230	Current tax liabilities	29,520	-	6,379	-
2260	Liabilities related to non-current assets classified as held for sale (Note XIV)	30,274	-	1,454	-
2310	Advanced received due to disposal of investments (Note XIV)	531,083	6	126,384	1
2320	Current portion of long-term bank loans, (Note XVIII)	449,292	5	-	-
2399	Other current liabilities (Notes XVI)	72,710	1	65,612	1
21XX	Total current liabilities	3,626,891	40	2,606,006	31
	Non-current liabilities				
2540	Long-term Bank loans (Note XVIII and XXXII)	499,850	5	948,991	11
2570	Deferred tax liabilities (Note XXIV)	457,330	5	518,591	6
2600	Other non-current liabilities (Notes XVI)	111,185	1	114,089	1
25XX	Total non-current liabilities	1,068,365	11	1,581,671	18
2XXX	Total liabilities	4,695,256	51	4,187,677	49
	Equity attributable to owners of the parent (Note XXI)				
	Capital				
3110	Common stock	2,574,401	28	2,674,401	31
3200	Additional paid-in capital	204,852	2	201,627	2
	Retained earnings				
3310	Legal reserve	645,464	7	626,554	7
3320	Special reserve	23,412	-	50,001	1
3350	Unappropriated earnings	1,038,788	12	800,246	10
3300	Total retained earnings	1,707,664	19	1,476,801	18
3400	Other equity	(58,266)	-	(4,089)	-
31XX	Total equity attributable to owners of the parent	4,428,651	49	4,348,740	51
36XX	Non-controlling interests	-	-	7,012	-
3XXX	Total equity	4,428,651	49	4,355,752	51
	Total liabilities and equity	\$ 9,123,907	100	\$ 8,543,429	100

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

Chairperson: Chang-shiou Wu

Manager: Chang-shiou Wu

Accounting Manager: Shu-fen Yang

Chien Kuo Construction Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income

January 1 to December 31, 2020 and 2019

Unit: NT\$ Thousands, Except for Basic Earnings Per Share (in Dollars)

Code		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (Note XXII)	\$ 6,762,818	100	\$ 4,773,012	100
5000	Operating cost (Notes XXIII and XXXI)	<u>6,250,304</u>	<u>93</u>	<u>4,431,879</u>	<u>93</u>
5900	Gross profit	512,514	7	341,133	7
6000	Operating expenses (Notes XXIII and XXXI)	<u>290,643</u>	<u>4</u>	<u>270,130</u>	<u>6</u>
6900	Net operating income	<u>221,871</u>	<u>3</u>	<u>71,003</u>	<u>1</u>
	Non-operating income and expenses (Note XXIII and XXXI)				
7010	Other income	69,048	1	67,568	1
7020	Other gains and losses	105,130	2	(6,681)	-
7050	Finance costs	(11,811)	-	(16,444)	-
7060	Shares of profits of associates accounted for using the equity method	(<u>426</u>)	<u>-</u>	<u>1,106</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>161,941</u>	<u>3</u>	<u>45,549</u>	<u>1</u>
7900	Income before income tax from continuing operations	383,812	6	116,552	2
7950	Income tax expense (Note XXIV)	<u>81,837</u>	<u>1</u>	<u>65,216</u>	<u>1</u>
8000	Net income from continuing operations	301,975	5	51,336	1
8100	Profit from discontinued operations (Note 24 and 23)	<u>72,769</u>	<u>1</u>	<u>128,228</u>	<u>3</u>
8200	Net income	<u>374,744</u>	<u>6</u>	<u>179,564</u>	<u>4</u>

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Code		2020		2019	
		Amount	%	Amount	%
8310	Other comprehensive income				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	(\$ 936)	-	\$ 2,866	-
8316	Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(19,852)	-	130,662	3
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	187	-	(573)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations	(52,321)	(1)	(98,325)	(2)
8367	Unrealized loss from investments in debt instruments at fair value through other comprehensive income	-	-	45	-
8368	Gain or loss on hedging instruments (Note XXX)	(1,042)	-	1,042	-
8399	Income tax related to items that will be reclassified subsequently to profit or loss (Note XXIV)	10,465	-	19,665	-
8300	Other comprehensive income or loss (after tax)	(63,499)	(1)	55,382	1

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Code		2020		2019	
		Amount	%	Amount	%
8500	Total comprehensive income	<u>\$ 311,245</u>	<u>5</u>	<u>\$ 234,946</u>	<u>5</u>
	Net income (loss) attributable to:				
8610	Owners of the parent	\$ 373,905	6	\$ 179,635	4
8620	Non-controlling interest	<u>839</u>	<u>-</u>	<u>(71)</u>	<u>-</u>
8600		<u>\$ 374,744</u>	<u>6</u>	<u>\$ 179,564</u>	<u>4</u>
	Total comprehensive income attributable to:				
8710	Owners of the parent	\$ 310,406	5	\$ 235,017	5
8720	Non-controlling interest	<u>839</u>	<u>-</u>	<u>(71)</u>	<u>-</u>
8700		<u>\$ 311,245</u>	<u>5</u>	<u>\$ 234,946</u>	<u>5</u>
	Earnings Per Share (Note XXV)				
	From continuing and discontinued operations				
9750	Basic earnings per share	<u>\$ 1.43</u>		<u>\$ 0.57</u>	
9850	Diluted earnings per share	<u>\$ 1.43</u>		<u>\$ 0.57</u>	
	From continuing operations				
9710	Basic earnings per share	<u>\$ 1.16</u>		<u>\$ 0.16</u>	
9810	Diluted earnings per share	<u>\$ 1.15</u>		<u>\$ 0.16</u>	

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

Chairperson: Chang-shiou Wu Manager: Chang-shiou Wu Accounting Manager: Shu-fen Yang

Chien Kuo Construction Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
From January 1 to December 31, 2020 and 2019

Unit: NT\$ Thousands, Except Earnings Per Share (Dollars Per Share)

		Equity Attributable to Owners of the Parent											
		Retained earnings					Others						
Code		Capital	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Gains (losses) on hedging instruments	Treasury Stock	Total	Non-controlling interest	Total Equity
A1	Balance, January 1, 2019	\$ 3,343,001	\$ 201,627	\$ 605,987	\$ 67,179	\$ 788,857	(\$ 109,003)	\$ 51,825	\$ -	\$ -	\$ 4,949,473	\$ 11,792	\$ 4,961,265
	Appropriation and distribution of retained earnings for 2018												
B1	Provision of legal reserve	-	-	20,567	-	(20,567)	-	-	-	-	-	-	-
B3	Special capital reserve	-	-	-	(10,002)	10,002	-	-	-	-	-	-	-
B5	Cash dividends appropriated to shareholders - NT\$0.50 per share	-	-	-	-	(167,150)	-	-	-	-	(167,150)	-	(167,150)
B17	Reversal of special capital reserve due to disposal of subsidiaries and branches	-	-	-	(7,176)	7,176	-	-	-	-	-	-	-
E1	Capital reduction	(668,600)	-	-	-	-	-	-	-	-	(668,600)	-	(668,600)
O1	Cash dividends for stockholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(281)	(281)
D1	Net income for 2019	-	-	-	-	179,635	-	-	-	-	179,635	(71)	179,564
D3	Other comprehensive income (net of tax) for 2019	-	-	-	-	2,293	(78,659)	130,706	1,042	-	55,382	-	55,382
D5	Total comprehensive income in 2019	-	-	-	-	181,928	(78,659)	130,706	1,042	-	235,017	(71)	234,946
O1	Non-controlling interest	-	-	-	-	-	-	-	-	-	-	(4,428)	(4,428)
Z1	Balance, December 31, 2019	2,674,401	201,627	626,554	50,001	800,246	(187,662)	182,531	1,042	-	4,348,740	7,012	4,355,752
	Appropriation and distribution of retained earnings for 2019												
B1	Legal reserve	-	-	18,910	-	(18,910)	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	(18,090)	18,090	-	-	-	-	-	-	-
B5	Cash dividends appropriated to shareholders - NT\$0.50 per share	-	-	-	-	(133,720)	-	-	-	-	(133,720)	-	(133,720)
B17	Reversal of special capital reserve due to disposal of subsidiaries and branches	-	-	-	(8,499)	8,499	-	-	-	-	-	-	-
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income by associates	-	-	-	-	(8,573)	-	8,573	-	-	-	-	-
M5	Actual acquisition of partial equity of subsidiary	-	993	-	-	-	-	-	-	-	993	-	993
L1	Purchase of treasury shares	-	-	-	-	-	-	-	-	(97,768)	(97,768)	-	(97,768)
L3	Retirement of treasury shares	(100,000)	2,232	-	-	-	-	-	-	97,768	-	-	-
D1	Net income for 2020	-	-	-	-	373,905	-	-	-	-	373,905	839	374,744
D3	Other comprehensive income (net of tax) for 2020	-	-	-	-	(749)	(41,856)	(19,852)	(1,042)	-	(63,499)	-	(63,499)
D5	Total comprehensive income in 2020	-	-	-	-	373,156	(41,856)	(19,852)	(1,042)	-	310,406	839	311,245
O1	Non-controlling interest	-	-	-	-	-	-	-	-	-	-	(7,851)	(7,851)
Z1	Balance, 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

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

Chairperson: Chang-shiou Wu

Manager: Chang-shiou Wu

Accounting Manager: Shu-fen Yang

Chien Kuo Construction Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

From January 1 to December 31, 2020 and 2019

Unit: NT\$ Thousands

Code		2020	2019
	Cash flows from operating activities		
A00010	Income before income tax from continuing operations	\$ 383,812	\$ 116,552
A00020	Income before income tax from discontinued operations	<u>75,289</u>	<u>177,873</u>
A10000	Income before income tax	<u>459,101</u>	<u>294,425</u>
A20010	Adjustments to reconcile income (loss):		
A29900	Net gain on disposal of subsidiaries	(99,306)	(34,466)
A22500	Gains on disposal of property, plant and equipment	(67,568)	(3,975)
A21200	Interest income	(44,231)	(50,117)
A20400	Net gain on financial assets at fair value through profit or loss	(37,265)	(11,958)
A20100	Depreciation expense	24,696	36,630
A21300	Dividend income	(23,481)	(27,213)
A24100	Foreign exchange (gain) losses	(33,664)	83,542
A20900	Finance costs	12,413	17,359
A20300	Expected credit loss (reversed gain)	(5,823)	2,927
A23200	Gain on disposal of associates accounted for using equity method	(3,510)	(39)
A24600	Impairment loss of investment properties	2,252	-
A22700	Loss on disposal of investment property	1,838	1,146
A20200	Amortization expenses	1,011	1,741
A22300	Shares of loss (profit) of associates accounted for using the equity method	426	(1,106)
A29900	Profit from lease modification	(208)	(198)
A29900	Other expenses transferred from investment property	-	280
A30000	Changes in operating assets and liabilities, net		
A31125	Contract assets	(629,546)	32,335
A31130	Notes receivable	91,345	(92,151)
A31150	Accounts receivables	1,198,742	421,800
A31180	Other receivables	(72,918)	6,695
A31200	Inventories	10,288	(3,525)
A31200	Construction in progress	(2,349)	-
A31230	Prepayments	361,732	197,552
A31240	Other current assets	(3,002)	(19,099)
A32125	Contract liabilities	184,136	188,284
A32130	Notes payable	(121,766)	(247,257)
A32150	Accounts payable	249,257	(2,369)
A32180	Other payables	6,174	18,453

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Code		2020	2019
A32230	Other current liabilities	(\$ 1,012)	(\$ 13,903)
A32990	Other non-current liabilities	(151)	(7,220)
A33000	Cash inflow generated from operations	1,457,611	788,573
A33100	Interest received	54,302	46,708
A33300	Interest paid	(12,365)	(15,968)
A33500	Income taxes paid	(210,908)	(61,846)
AAAA	Net cash flows from operating activities	<u>1,288,640</u>	<u>757,467</u>
	Cash flows from investing activities		
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	17,648	57,184
B00040	Acquisition of financial assets measured at amortized cost	(292,741)	-
B00100	Acquisition of financial assets at fair value through profit or loss	(3,321,445)	(389,535)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	1,593,516	458,391
B01900	Net cash inflow from disposal of associates	12,250	-
B02200	Net cash outflow from acquisition of subsidiaries	(6,858)	-
B02300	Net cash inflow (outflow) from disposal of subsidiaries	110,710	(12,922)
B02700	Acquisition of property, plant and equipment	(16,601)	(18,406)
B02800	Proceeds from disposal of property, plant and equipment	89,447	5,963
B03800	Decrease (increase) in refundable deposits	(4,140)	9,974
B04500	Acquisition of intangible assets	-	(1,904)
B05350	Proceeds from disposal of right-of-use assets	-	130,660
B05400	Acquisition of investment properties	-	(1,076)
B05500	Proceeds from disposal of investment properties	47,618	39,621
B06700	Decrease in pledged certificate of deposit	141,222	200,145
B07600	Dividends received	18,904	20,960
B09900	Advance received due to disposal of subsidiaries	<u>531,083</u>	<u>126,383</u>
BBBB	Net cashflows from investing activities	(<u>1,079,387</u>)	<u>625,438</u>
	Cash flows from financing activities		
C00100	Increase (decrease) in Short-term loans	(38,608)	51,964
C00500	Increase in short-term bills payable	50,000	-
C00600	Decrease in short-term bills payable	(50,000)	-
C01600	Increase in long-term loans	-	149,860
C01700	Repayment of long-term loans	-	(450,000)
C03000	Increase in guarantee deposits received	14,760	18,954
C04020	Repayment of lease principal	(11,646)	(14,863)
C04500	Cash dividends paid	(133,720)	(167,150)
C04700	Capital reduction	-	(668,600)

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<u>Code</u>		<u>2020</u>	<u>2019</u>
C04900	Purchase of treasury stock	(\$ 97,768)	\$ -
C05800	Dividends paid to non-controlling interests	-	(281)
CCCC	Net cash flows from financing activities	(266,982)	(1,080,116)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(14,099)	(68,409)
EEEE	Net Increase (decrease) in cash and cash equivalents	(71,828)	234,380
E00100	Cash and cash equivalents at beginning of year	<u>2,690,165</u>	<u>2,455,785</u>
E00200	Cash and cash equivalents at end of year	<u>\$ 2,618,337</u>	<u>\$ 2,690,165</u>

Reconciliation of cash and cash equivalents by the end of the year

<u>Code</u>		<u>December 31, 2020</u>	<u>December 31, 2019</u>
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 end of year	<u>\$ 2,618,337</u>	<u>\$ 2,690,165</u>

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

Chairperson: Chang-shiou Wu Manager: Chang-shiou Wu Accounting Manager: Shu-fen Yang

Independent Auditors' Report

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

Audit Opinions

We have audited the Individual Balance Sheets of Chien Kuo Construction Co., Ltd. as of December 31, 2020 and 2019, the Individual Statements of Comprehensive Income, Individual Statements of Changes in Equity, Individual Statements of Cash Flows, and Notes to the Individual Financial Statements (including the Summary of Significant Accounting Policies) for the annual period from January 1 to December 31, 2020 and 2019.

In our opinion, the aforementioned Individual Financial Statements present fairly, in all material respects, the individual financial position of Chien Kuo Construction Co. Ltd. as of December 31, 2020 and 2019, and its individual financial performance and individual cash flows for the annual periods ended December 31, 2020 and 2019 in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

Basis for Audit Opinion

We conducted our audits of the financial statements as of and for the year ended December 31, 2020 in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants," and the auditing standards generally accepted in the Republic of China. And, we conducted our audit of the financial statement for the year ended December 31, 2019 in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants," Order No. 1090360805 issued by the Financial Supervisory Commission on February 25, 2020, 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 Individual 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 2020 individual 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 individual financial statements of Chien Kuo Construction Co., Ltd. for 2020 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.

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

Responsibility of the Management and the Governing Body for the Individual Financial Statements

It is the management's responsibility to fairly present the Individual 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 Individual Financial Statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the Individual 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 Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual 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 Individual 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 individual 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 Individual 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 Individual 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 Individual Financial Statements (including the related notes), and determined whether the Individual 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 Individual 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 individual financial statements of Chien Kuo Construction Co., Ltd. of 2020. 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 & Touche

CPA: Wen-chin Lin

CPA: Chun-hung Chen

Securities and Futures Bureau Approval
Document No.:

Taiwan-Finance-Securities-VI-092012378

4

Financial Supervisory Commission Approval
Document No.:

Financial-Supervisory-Securities-Auditing-09
90031652

March 25, 2021

Chien Kuo Construction Co., Ltd.

Individual Balance Sheets

December 31, 2020 and 2019

Unit: NT\$ Thousands

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Current assets				
1100	Cash (Notes VI)	\$ 329,047	4	\$ 380,687	5
1110	Financial assets at fair value through profit or loss (Note VII)	605,589	7	-	-
1120	Financial assets at fair value through other comprehensive income (Note VIII)	21,231	-	24,909	-
1136	Financial assets measured at amortized cost (Note IX and XXXII)	292,741	3	16,500	-
1140	Contract assets (Note IXX)	1,586,371	19	1,298,880	17
1150	Notes receivable (Note X)	7,500	-	13,125	-
1170	Accounts receivable (Notes X and IXX)	389,456	5	578,046	7
1200	Other receivables	51,305	1	7,723	-
1323	Inventories (for construction business) (Notes XI and XXVII)	465,926	6	463,577	6
1410	Prepayments	64,921	1	96,574	1
1470	Other current assets	6,371	-	5,279	-
11XX	Total current assets	<u>3,820,458</u>	<u>46</u>	<u>2,885,300</u>	<u>36</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss (Note VII)	17,100	-	8,100	-
1520	Financial assets at fair value through other comprehensive income (Notes VIII and XXXII)	398,003	5	410,826	5
1550	Investments accounted for using equity method (Note XII)	3,839,350	46	4,362,248	55
1600	Property, plant, and equipment (Notes XXXII)	31,262	1	33,053	1
1755	Right-of-use assets (Notes XVI)	25,049	-	32,178	1
1760	Investment property (Notes XVII and XXVII)	97,761	1	150,507	2
1840	Deferred tax assets (Note XXI)	29,616	1	15,534	-
1990	Other non-current assets (Note XXVII)	23,635	-	15,393	-
15XX	Total noncurrent assets	<u>4,461,776</u>	<u>54</u>	<u>5,027,839</u>	<u>64</u>
1XXX	Total assets	<u>\$ 8,282,234</u>	<u>100</u>	<u>\$ 7,913,139</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2130	Contract liabilities (Note IXX)	\$ 86,448	1	\$ 245,696	3
2170	Notes payable (Note XVI and XXVI)	1,966,847	24	1,549,723	19
2200	Other payables	209,576	3	145,350	2
2230	Current tax liabilities	20,092	-	2,071	-
2320	Current portion of long-term bank loans, (Note XV)	449,292	5	-	-
2399	Other current liabilities (Notes XIII)	60,982	1	56,750	1
21XX	Total current liabilities	<u>2,793,237</u>	<u>34</u>	<u>1,999,590</u>	<u>25</u>
	Non-current liabilities				
2540	Long-term Bank loans (Note XV)	499,850	6	948,991	12
2570	Deferred tax liabilities (Note XXI)	457,330	6	518,591	7
2600	Other non-current liabilities (Notes XIII and XVII)	103,166	1	97,227	1
25XX	Total non-current liabilities	<u>1,060,346</u>	<u>13</u>	<u>1,564,809</u>	<u>20</u>
2XXX	Total liabilities	<u>3,853,583</u>	<u>47</u>	<u>3,564,399</u>	<u>45</u>
	Equity (Note XVIII)				
	Capital				
3110	Common stock	2,574,401	31	2,674,401	34
3200	Additional paid-in capital	204,852	2	201,627	3
	Retained earnings				
3310	Legal reserve	645,464	8	626,554	8
3320	Special reserve	23,412	-	50,001	1
3350	Unappropriated earnings	1,038,788	13	800,246	9
3300	Total retained earnings	1,707,664	21	1,476,801	18
3400	Other equity	(58,266)	(1)	(4,089)	-
3XXX	Total equity	<u>4,428,651</u>	<u>53</u>	<u>4,348,740</u>	<u>55</u>
	Total liabilities and equity	<u>\$ 8,282,234</u>	<u>100</u>	<u>\$ 7,913,139</u>	<u>100</u>

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

Chairperson: Chang-shiou Wu

Manager: Chang-shiou Wu

Accounting Manager: Shu-fen Yang

Chien Kuo Construction Co., Ltd.
Individual Statements of Comprehensive Income
January 1 to December 31, 2020 and 2019

Unit: NT\$ Thousands, Except for Earnings Per Share (in Dollars)

Code		2020		2019	
		Amount	%	Amount	%
4000	Operating Revenue (Note XXII)	\$ 6,753,748	100	\$ 4,756,126	100
5000	Operating cost (Notes XX and XXVI)	<u>6,300,283</u>	<u>93</u>	<u>4,440,872</u>	<u>94</u>
5900	Gross profit	453,465	7	315,254	6
6000	Operating expenses (Notes XX and XXVI)	<u>272,776</u>	<u>4</u>	<u>242,905</u>	<u>5</u>
6900	Net operating income	<u>180,689</u>	<u>3</u>	<u>72,349</u>	<u>1</u>
	Non-operating income and expenses				
7010	Other income (Notes XX and XXVI)	44,882	1	41,290	1
7020	Other gains and losses (Notes XX)	(25,523)	-	(10,827)	-
7050	Finance costs (Notes XX and XXVI)	(11,081)	-	(15,448)	-
7060	Shares of profits of associates accounted for using the equity method (Notes XII)	<u>239,891</u>	<u>3</u>	<u>157,599</u>	<u>3</u>
7000	Total non-operating income and expenses	<u>248,169</u>	<u>4</u>	<u>172,614</u>	<u>4</u>
7900	Income before income tax	428,858	7	244,963	5
7950	Income tax expense (Note XXI)	<u>54,953</u>	<u>1</u>	<u>65,328</u>	<u>1</u>
8200	Net income	<u>373,905</u>	<u>6</u>	<u>179,635</u>	<u>4</u>
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss:				

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Code		2020		2019	
		Amount	%	Amount	%
8311	Remeasurement of defined benefit plans (Note XVII)	(\$ 936)	-	\$ 2,866	-
8316	Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(16,501)	-	131,227	3
8330	Shares of other comprehensive income from subsidiaries accounted for using the equity method	(3,351)	-	(565)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss (Note XXI)	187	-	(573)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8380	Shares of other comprehensive income from subsidiaries accounted for using the equity method	(53,363)	(1)	(97,238)	(2)
8399	Income tax related to items that will be reclassified subsequently to profit or loss (Note XXI)	<u>10,465</u>	<u>-</u>	<u>19,665</u>	<u>-</u>
8300	Other comprehensive income or loss (after tax)	(<u>63,499</u>)	(<u>1</u>)	<u>55,382</u>	<u>1</u>
8500	Total comprehensive income	<u>\$ 310,406</u>	<u>5</u>	<u>\$ 235,017</u>	<u>5</u>
	Earnings Per Share (Note XXII)				
9750	Basic earnings per share	<u>\$ 1.43</u>		<u>\$ 0.57</u>	
9850	Diluted earnings per share	<u>\$ 1.43</u>		<u>\$ 0.57</u>	

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

Chairperson: Chang-shiou Wu Manager: Chang-shiou Wu Accounting Manager: Shu-fen Yang

Chien Kuo Construction Co., Ltd.
Individual Statements of Changes in Equity
From January 1 to December 31, 2020 and 2019

Unit: NT\$ Thousands

Code		Retained earnings					Others				
		Capital	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Gains (losses) on hedging instruments	Treasury Stock	Total Equity
A1	Balance, January 1, 2019	\$ 3,343,001	\$ 201,627	\$ 605,987	\$ 67,179	\$ 788,857	(\$ 109,003)	\$ 51,825	\$ -	\$ -	\$ 4,949,473
	Appropriation and distribution of retained earnings for 2018										
B1	Legal reserve	-	-	20,567	-	(20,567)	-	-	-	-	-
B17	Reversal of special reserve	-	-	-	(10,002)	10,002	-	-	-	-	-
B5	Cash dividends - NT\$0.50 per share	-	-	-	-	(167,150)	-	-	-	-	(167,150)
B17	Reversal of special capital reserve due to disposal of subsidiaries and branches	-	-	-	(7,176)	7,176	-	-	-	-	-
E3	Capital reduction	(668,600)	-	-	-	-	-	-	-	-	(668,600)
D1	Net income for 2019	-	-	-	-	179,635	-	-	-	-	179,635
D3	Other comprehensive income (net of tax) for 2019	-	-	-	-	2,293	(78,659)	130,706	1,042	-	55,382
D5	Total comprehensive income in 2019	-	-	-	-	181,928	(78,659)	130,706	1,042	-	235,017
Z1	Balance, December 31, 2019	2,674,401	201,627	626,554	50,001	800,246	(187,662)	182,531	1,042	-	4,348,740
	Appropriation and distribution of retained earnings for 2019										
B1	Legal reserve	-	-	18,910	-	(18,910)	-	-	-	-	-
B17	Reversal of special reserve	-	-	-	(18,090)	18,090	-	-	-	-	-
B5	Cash dividends appropriated to shareholders - NT\$0.50 per share	-	-	-	-	(133,720)	-	-	-	-	(133,720)
B17	Reversal of special capital reserve due to disposal of subsidiaries and branches	-	-	-	(8,499)	8,499	-	-	-	-	-
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income by associates	-	-	-	-	(8,573)	-	8,573	-	-	-
M5	Actual acquisition of partial equity of subsidiary	-	993	-	-	-	-	-	-	-	993
L1	Purchase of treasury shares	-	-	-	-	-	-	-	-	(97,768)	(97,768)
L3	Retirement of treasury shares	(100,000)	2,232	-	-	-	-	-	-	97,768	-
D1	Net income for 2020	-	-	-	-	373,905	-	-	-	-	373,905
D3	Other comprehensive income (net of tax) for 2020	-	-	-	-	(749)	(41,856)	(19,852)	(1,042)	-	(63,499)
D5	Total comprehensive income in 2020	-	-	-	-	373,156	(41,856)	(19,852)	(1,042)	-	310,406
Z1	Balance, December 31, 2020	<u>\$ 2,574,401</u>	<u>\$ 204,852</u>	<u>\$ 645,464</u>	<u>\$ 23,412</u>	<u>\$ 1,038,788</u>	<u>(\$ 229,518)</u>	<u>\$ 171,252</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,428,651</u>

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

Chairperson: Chang-shiou Wu

Manager: Chang-shiou Wu

Accounting Manager: Shu-fen Yang

Chien Kuo Construction Co., Ltd.
Individual Statements of Cash Flows
From January 1 to December 31, 2020 and 2019

Unit: NT\$ Thousands

Code		2020	2019
	Cash flows from operating activities		
A10000	Income before income tax	\$ 428,858	\$ 244,963
A20010	Adjustments to reconcile income (loss):		
A22400	Shares of profits of subsidiaries and associates accounted for using equity method	(239,891)	(157,599)
A21300	Dividend income	(22,755)	(26,178)
A20100	Depreciation expense	17,322	16,448
A20400	Net gain on financial assets at fair value through profit or loss	(14,617)	-
A20900	Finance costs	11,081	15,448
A24100	Foreign exchange (gain) loss	7,528	3
A23200	Gain on disposal of associates accounted for using equity method	(3,510)	-
A24600	Impairment loss of investment properties	2,252	-
A22700	Loss on disposal of investment property	1,838	1,146
A21200	Interest income	(1,197)	(2,151)
A20200	Amortization expenses	1,011	1,741
A29900	Profit from on lease modification	(96)	-
A22500	Net loss on disposal of property, plant and equipment	3	131
A29900	Net loss on disposal of subsidiaries	-	371
A30000	Changes in operating assets and liabilities, net		
A31115	Financial assets at fair value through profit or loss	-	(8,100)
A31125	Contract assets	(287,491)	5,419
A31130	Notes receivable	5,625	13,713
A31150	Accounts receivables	188,590	(317,075)
A31180	Other receivables	(22)	555
A31200	Construction in progress	(2,349)	-
A31230	Prepayments	31,653	26,070
A31240	Other current assets	(1,092)	667
A32125	Contract liabilities	(159,248)	187,966
A32150	Accounts payable	417,124	386,375
A32180	Other payables	56,237	26,688
A32230	Other current liabilities	4,348	(898)
A32990	Other non-current liabilities	(335)	(7,221)
A33000	Cash inflow generated from operations	440,867	408,482
A33100	Interest received	1,174	2,156

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Code		2020	2019
A33300	Interest paid	(\$ 10,206)	(\$ 14,826)
A33500	Income taxes paid	(94,057)	(46,070)
AAAA	Net cash flows from operating activities	<u>337,778</u>	<u>349,742</u>
	Cash flows from investing activities		
B00100	Acquisition of financial assets at fair value through profit or loss	(725,964)	-
B00040	Acquisition of financial assets measured at amortized cost	(292,741)	-
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	89,371	-
B01900	Net cash inflow from disposal of associates	12,250	-
B02200	Net cash outflow from acquisition of subsidiaries	(407,858)	-
B02300	Net cash inflow from disposal of subsidiaries	5,767	5,500
B02400	Capital reduction and return of share proceeds from subsidiary	120,000	453,474
B02700	Acquisition of property, plant and equipment	(3,429)	(4,133)
B03800	Decrease (increase) in refundable deposits	(4,190)	343
B04500	Acquisition of intangible assets	-	(1,904)
B05400	Acquisition of investment properties	-	(1,076)
B05500	Proceeds from disposal of investment properties	47,618	39,621
B06700	Decrease (increase) in pledged certificate of deposit	16,500	(8,800)
B07600	Dividends received	<u>991,513</u>	<u>477,964</u>
BBBB	Net cash flows from investing activities	(<u>151,163</u>)	<u>960,989</u>
	Cash flows from financing activities		
C00500	Increase in short-term bills payable	50,000	-
C00600	Decrease in short-term bills payable	(50,000)	-
C01600	Increase in long-term loans	-	149,860
C01700	Repayment of long-term loans	-	(450,000)
C03000	Increase in guarantee deposits received	11,695	15,317
C04020	Repayment of lease principal	(10,934)	(11,098)
C04500	Cash dividends paid	(133,720)	(167,150)
C04700	Capital reduction	-	(668,600)
C04900	Purchase of treasury stock	(<u>97,768</u>)	-
CCCC	Net cash from financing activities	(<u>230,727</u>)	(<u>1,131,671</u>)
DDDD	Effect of exchange rate changes on cash	(<u>7,528</u>)	(<u>3</u>)

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<u>Code</u>		<u>2020</u>	<u>2019</u>
EEEE	Net Increase (decrease) in cash	(\$ 51,640)	\$ 179,057
E00100	Cash at beginning of year	<u>380,687</u>	<u>201,630</u>
E00200	Cash at end of year	<u>\$ 329,047</u>	<u>\$ 380,687</u>

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

Chairperson: Chang-shiou Wu Manager: Chang-shiou Wu Accounting Manager: Shu-fen Yang

Comparison Table for the Articles of Incorporation before and after Revision

Paragraph/ Article	Provisions after Revision	Current Provisions	Explanation
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 attestors for the issuance of share certificates under the laws. The Company may elect not to print out the issued shares but shall register the issued shares with a centralized securities depositary enterprise.	The Company's shares shall be registered shares, shall be assigned with serial numbers, shall be affixed with the signatures or personal seals of no less than three directors, and shall be issued only after being approved by the competent authority or duly certified by the issuance institution delegated by the competent authority. The Company may elect not to print out the issued shares but shall register the issued shares with a centralized securities depositary enterprise.	Amended to reflect regulatory changes to Article 162 of the Company Act.
Article 26	The Company's Articles of Incorporation was established on October 15, 1960. Amended firstly on September 30, 1969. Amended for the thirty-seventh time on June 21, 2019. <u>Amended for the thirty-eighth time on June 23, 2020.</u>	The Company's Articles of Incorporation was established on October 15, 1960. Amended firstly on September 30, 1969. Amended for the thirty-seventh time on June 21, 2019.	Updated the date of amendments.

Comparison Table for the Procedures for Election of Directors before and after Revision

Paragraph/ Article	Provisions after Revision	Current Provisions	Explanation
Article 5	The Company's directors shall be duly elected by means of cumulative ballots. Each common share with voting right is entitled to the number of ballots which are equivalent to the numbers of directors to be elected. One director may be elected collectively or several directors may be elected separately. (Omitted)	The Company's directors shall be duly elected by means of cumulative voting. Each common share with voting right is entitled to the number of ballots which are equivalent to the numbers of directors to be elected. One director may be elected collectively or several directors may be elected separately. (Omitted)	Amended to reflect the existing laws and regulations.
Article 8	Before the beginning of the election, the chairman shall designate a number of shareholders to supervise the casting of the ballots and a number of persons to count the ballots, each of which shall then respectively perform their relevant functions accordingly.	Before the beginning of the election, the chairman shall designate a number of shareholders to supervise the casting of the ballots and a number of persons to count the ballots.	Amended to clarify the wording.
Article 10	Deleted.	<u>If a candidate is a shareholder, a voter shall enter the candidate's account name and shareholder account number in the candidate column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number in the candidate column of the ballot and cast the ballot into the ballot box. However, when a candidate is a governmental organization or juristic-person shareholder, the name and shareholder account number of the governmental organization or juristic-person shareholder shall be entered in the candidate column of the ballot in accordance with Paragraph 1, Article 27 of the Company Act, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered in accordance with Paragraph 2, Article 27 of the Company Act.</u>	Amended in accordance with the Sample Template for XXX Co., Ltd. Procedures for Election of Directors promulgated by the competent authority.

Paragraph/ Article	Provisions after Revision	Current Provisions	Explanation
Article 11	<p>An election ballot is deemed null and void under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. Any ballot cast in violation of these Procedures; 2. Unwritten blank ballots voted for the voter; 3. Any ballot with illegible writing rendering it unrecognizable or any ballot with corrections; 4. Where the candidate voted for is inconsistent with that on the list of candidates for directors; <p>Deleted.</p> <p><u>5. Any ballot is completed with the context other than the allocated number of voting rights; or</u></p> <p><u>6. Any ballot that is cast with the names of two or more candidates.</u></p>	<p>An election ballot is deemed null and void under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. Any ballot cast in violation of these Procedures; 2. Unwritten blank ballots voted for the voter; 3. Any ballot with illegible writing rendering it unrecognizable or any ballot with corrections; 4. Where the candidate voted for is a shareholder of the Company, such candidate's account name and shareholder account number filled in in the ballot is inconsistent with that on the shareholder registry; where the candidate voted for is not a shareholder of the Company, such candidate's name or ID number is verified to be incorrect; <u>5. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or ID card number is provided in the ballot to identify such individual;</u> <u>6. Any ballot with characters other than the candidate's name or shareholder account number (ID number); or</u> <u>7. Any ballot that is cast with the names of two or more candidates.</u> 	<p>Amended in accordance with the Sample Template for XXX Co., Ltd. Procedures for Election of Directors promulgated by the competent authority.</p>
Article 13	<p>Persons supervising the casting of ballots shall supervise the counting of votes. The voting results shall be announced by the chairman or a person designated by the chairman on the site, including the list of directors elected and the number of their voting rights, as well as the list of unelected directors and the number of their voting rights, and recorded in writing.</p>	<p>Persons supervising the casting of ballots shall supervise the counting of votes. The voting results shall be announced by the chairman on the site and recorded in writing.</p>	<p>Amended in accordance with the Sample Template for XXX Co., Ltd. Procedures for Election of Directors promulgated by the competent authority.</p>

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

Paragraph/ Article	Provisions after Revision	Current Provisions	Explanation
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.	Attendance and resolution at shareholders' meetings shall be calculated based on the number of shares. When the Company holds a shareholders' meeting, it shall allow the shareholders to exercise voting rights by correspondence or electronic means. 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	Amended in accordance with the Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings promulgated by the competent authority.

Paragraph/ Article	Provisions after Revision	Current Provisions	Explanation
	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.	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 at the meeting by the proxy shall prevail.	
Article 8	The process of the Meeting shall be audio- and video-recorded and these recorded tapes shall be preserved for at least one (1) year. In the event of a lawsuit filed by shareholders in accordance with Article 189 of the Company Act, these recorded tapes shall be archived until the conclusion of the lawsuit.	The process of the Meeting shall be audio- or video-recorded and these recorded tapes shall be preserved for at least one (1) year.	Same as above.
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	Chairman shall call the Meeting to order at the time scheduled for the Meeting. 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	Same as above.

Paragraph/ Article	Provisions after Revision	Current Provisions	Explanation
	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 1, Article 175 of the Company Act of the Republic of China.	shares, tentative resolutions may be made in accordance with Paragraph 1, Article 175 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. (Omitted)	If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The Meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. (Omitted)	Same as above.
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.	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.	Same as above.
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	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. 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	Same as above.

Paragraph/ Article	Provisions after Revision	Current Provisions	Explanation
	<p>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><u>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.</u></p>	<p>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>	

**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>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.) 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 Chairperson as authorized by the Board of Directors (in case the Chairperson has delegated another party, it is subject to the decision of such person).</p>	Amended to meet operating requirements.
5.1.14	<p>The Company shall adopt the following risk management and auditing measures while engaging in derivatives trading:</p> <p>3.) The rights and responsibilities for engaging in derivatives trading are divided as follows: (1) Board of Directors:</p> <p>(a). For trading (speculation), a contract amounting to NT\$100 million or more shall be executed only upon the approval of the Board of Directors, and a contract amounting to less than NT\$100 million shall be executed only upon the approval of the Chief Investment Officer. For hedging, a contract amounting to NT\$200 million</p>	<p>The Company shall adopt the following risk management and auditing measures while engaging in derivatives trading:</p> <p>3.) The rights and responsibilities for engaging in derivatives trading are divided as follows: (1) Board of Directors:</p> <p>(a). For trading (speculation), a contract amounting to NT\$100 million or more shall be executed only upon the approval of the Board of Directors, and a contract amounting to less than NT\$100 million shall be executed only upon the approval of the Chairman. For hedging, a contract amounting to NT\$200</p>	Amended to meet operating requirements.

Paragraph/ Article	Provisions after Revision	Current Provisions	Explanation
	<p>shall be executed upon the approval of the Board of Directors, and a contract amounting to less than NT\$200 million shall be executed upon the approval of the Chief Investment Officer. The Board shall also monitor the performances of derivatives trading according to the established business strategies and control relevant risks to the extent permitted by the Company.</p> <p>(b). Regular or special Board meetings shall be convened depending on the circumstances of the case. The Chief Investment Officer shall report the performances of derivatives trading to the Board. The Board may resolve to cease the execution of such derivatives trading if its performances are no longer in line with the Company's business strategies or its risks are no longer acceptable to the Company or go beyond the original plan.</p> <p>(3) Chief Investment Officer:</p> <p>(a) The Chief Investment Officer acts as the convener, assigns the head of the Finance Department and relevant department or personnel, and submits "derivatives trading cases" subject to the approval of the Board to the Board for resolution.</p> <p>(b) The Chief Investment Officer is authorized by the Board to approve the "derivatives trading cases."</p> <p>(c) If there are any irregularities (for example, the position held has exceeded the stop-loss limit) in the evaluation report, measures shall be taken in response and reported to the Board for resolution as needed.</p>	<p>million shall be executed upon the approval of the Board of Directors, and a contract amounting to less than NT\$200 million shall be executed upon the approval of the Chairman. The Board shall also monitor the performances of derivatives trading according to the established business strategies and control relevant risks to the extent permitted by the Company.</p> <p>(b). Regular or special Board meetings shall be convened depending on the circumstances of the case. The Chairman shall report the performances of derivatives trading to the Board. The Board may resolve to cease the execution of such derivatives trading if its performances are no longer in line with the Company's business strategies or its risks are no longer acceptable to the Company or go beyond the original plan.</p> <p>(3) Chairman:</p> <p>(a) The Chief Investment Officer acts as the convener, assigns the head of the Finance Department and relevant department or personnel, and submits "derivatives trading cases" subject to the approval of the Board to the Board for resolution.</p> <p>(b) The Chief Investment Officer is authorized by the Board to approve the "derivatives trading cases."</p> <p>(c) If there are any irregularities (for example, the position held has exceeded the stop-loss limit) in the evaluation report, measures shall be taken in response and reported to the Board for resolution as needed.</p> <p>(d) Whether the risk</p>	

Paragraph/ Article	Provisions after Revision	Current Provisions	Explanation
	<p>(d) Whether the risk management procedures currently being used are suitable and conform to these Procedures shall be periodically evaluated.</p> <p>(4) Head of Finance Department:</p> <p>(b) The head of the Finance Department shall execute the “derivatives trading cases” approved by the Board or subject to the approval of the Chief Investment Officer under the Board's authorization.</p> <p>(c) Derivatives trading positions held shall be evaluated once per week, with an evaluation report prepared and submitted to the Chief Investment Officer for approval; however, positions for hedging according to the business needs shall be evaluated at least twice per month.</p> <p>(e) For approved "derivatives trading cases," if there is a significant change in the market or the stop-loss limit is reached, or there is a material difference from the original estimate, an evaluation report shall be submitted to the Chief Investment Officer or the Board of Directors immediately to determine whether such cases shall proceed or shall be revised.</p> <p>(6) Audit unit: The audit unit shall periodically review the suitability of internal controls on derivatives trading and conduct a monthly audit of how derivatives trading by the trading department adheres to these Procedures, with an audit report prepared and submitted to the Chief Investment Officer.</p> <p>4.) Performance evaluation guidelines</p> <p>(1) Derivatives trading positions</p>	<p>management procedures currently being used are suitable and conform to these Procedures shall be periodically evaluated.</p> <p>(4) Head of Finance Department:</p> <p>(b) The head of the Finance Department shall execute the “derivatives trading cases” approved by the Board or subject to the approval of the Chairman under the Board's authorization.</p> <p>(c) Derivatives trading positions held shall be evaluated once per week, with an evaluation report prepared and submitted to the Chairman for approval; however, positions for hedging according to the business needs shall be evaluated at least twice per month.</p> <p>(e) For approved "derivatives trading cases," if there is a significant change in the market or the stop-loss limit is reached, or there is a material difference from the original estimate, an evaluation report shall be submitted to the Chairman or the Board of Directors immediately to determine whether such cases shall proceed or shall be revised.</p> <p>(6) Audit unit: The audit unit shall periodically review the suitability of internal controls on derivatives trading and conduct a monthly audit of how derivatives trading by the trading department adheres to these Procedures, with an audit report prepared and submitted to the Chairman.</p> <p>4.) Performance evaluation guidelines</p> <p>(1) Derivatives trading positions held shall be evaluated once per</p>	

Paragraph/ Article	Provisions after Revision	Current Provisions	Explanation
	<p>held shall be evaluated once per week; however, positions for hedging according to the business needs shall be evaluated at least twice per month.</p> <p>(2) The Finance Department shall prepare the following reports for the transactions it engages in based on their purposes:</p> <p>(a) For trading purpose;</p> <p>(b) Not for trading purpose; an evaluation report shall be prepared by the department head and submitted to the Chief Investment Officer or the Board.</p>	<p>week; however, positions for hedging according to the business needs shall be evaluated at least twice per month.</p> <p>(2) The Finance Department shall prepare the following reports for the transactions it engages in based on their purposes:</p> <p>(a) For trading purpose;</p> <p>(b) Not for trading purposes; an evaluation report shall be prepared by the department head and submitted to the Chairman or the Board.</p>	
5.1.17	<p>Operational procedures for derivative transaction:</p> <p>6.) If the “evaluation report on derivatives trading” concludes that the transaction is not viable, it shall be submitted to the Chief Investment Officer for rejection, and the evaluation report shall be numbered and filed away separately; the application form for derivatives trading shall be noted with the reason for such rejection and returned to the Finance Department for filing.</p> <p>7.) If the “evaluation report on derivatives trading” concludes that the transaction is viable, it shall be submitted to the Chief Investment Officer or the Board for approval.</p> <p>(3) The head of the Finance Department shall supervise the execution of derivatives trading cases approved by the Chief Investment Officer or the Board.</p> <p>8.) Derivatives trading for trading purposes with a contract amounting to NT\$100 million or more shall be approved by the Board while the remainder shall be approved by the Chief Investment Officer.</p>	<p>Operational procedures for derivative transaction:</p> <p>6.) If the “evaluation report on derivatives trading” concludes that the transaction is not viable, it shall be submitted to the Chairman for rejection, and the evaluation report shall be numbered and filed away separately; the application form for derivatives trading shall be noted with the reason for such rejection and returned to the Finance Department for filing.</p> <p>7.) If the “evaluation report on derivatives trading” concludes that the transaction is viable, it shall be submitted to the Chairman or the Board for approval.</p> <p>(3) The head of the Finance Department shall supervise the execution of derivatives trading cases approved by the Chairman or the Board.</p> <p>8.) Derivatives trading for trading purposes with a contract amounting to NT\$100 million or more shall be approved by the Board while the remainder shall be approved by the Chairman.</p>	Amended to meet operating requirements.

Paragraph/ Article	Provisions after Revision	Current Provisions	Explanation
	<p>9.) The head of the Finance Department shall hand over the approved “derivatives trading cases” to the Finance Section for execution. Transaction vouchers shall be approved by the head of the Finance Department and the Chief Investment Officer before transactions are executed.</p> <p>10.) Every month, the head of the Finance Department shall submit a performance evaluation report on the derivatives trading positions held to the Chief Investment Officer for review. The Chief Investment Officer shall determine whether the trading process is appropriate and whether the performance is within control.</p> <p>11.) Any material abnormality shall be immediately reported to the Board meeting, where the Chief Investment Officer or the head of the Finance Department shall report its performance and propose measures to be taken for resolution.</p>	<p>9.) The head of the Finance Department shall hand over the approved “derivatives trading cases” to the Finance Section for execution. Transaction vouchers shall be approved by the head of the Finance Department and the Chairman before transactions are executed.</p> <p>10.) Every month, the head of the Finance Department shall submit a performance evaluation report on the derivatives trading positions held to the Chairman for review. The Chairman shall determine whether the trading process is appropriate and whether the performance is within control.</p> <p>11.) Any material abnormality shall be immediately reported to the Board meeting, where the Chairman or the head of the Finance Department shall report its performance and propose measures to be taken for resolution.</p>	
5.1.18	<p>Risk management measures:</p> <p>5.) Operational risk management:</p> <p>(1) The Board and department heads shall be familiar with the operating procedures and have proper management of operational risks. Traders and settlement clerks are tasked to safeguard the assets and revenues and submit performance reports and risk analysis reports to the Chief Investment Officer on a regular basis.</p>	<p>Risk management measures:</p> <p>5.) Operational risk management:</p> <p>(1) The Board and department heads shall be familiar with the operating procedures and have proper management of operational risks. Traders and settlement clerks are tasked to safeguard the assets and revenues and submit performance reports and risk analysis reports to the Chairman on a regular basis.</p>	Amended to meet operating requirements.
5.1.19	<p>Internal audit of derivatives trading: To ensure the sound operation of derivatives trading, internal auditors regularly review the adequacy of internal</p>	<p>Internal audit of derivatives trading: To ensure the sound operation of derivatives trading, internal auditors regularly review the adequacy of internal</p>	Amended to meet operating requirements.

Paragraph/ Article	Provisions after Revision	Current Provisions	Explanation
	<p>controls and monthly audit the trading department's compliance with the trading process and the trading cycle and prepare audit reports; the Finance Department also reviews derivatives trading independently, and the Board and the Chief Investment Officer are responsible for supervising the performances of derivative trading. The internal audit work is highlighted as follows:</p> <p>1.) Before engaging in derivatives trading, the Company shall draw up written policies in respect of the nature, type, and total contract value of derivatives trading, the loss amount of all and individual contracts, risk tolerance, internal controls, and trading profits or losses for the Board's or the Chief Investment Officer's approval.</p> <p>2.) The derivatives trading positions and performance reports shall be reviewed weekly and reported to the Chief Investment Officer. Hedging transactions that are conducted based on business needs shall be evaluated at least twice a month.</p>	<p>controls and monthly audit the trading department's compliance with the trading process and the trading cycle and prepare audit reports; the Finance Department also reviews derivatives trading independently, and the Board and the Chairman are responsible for supervising the performances of derivative trading. The internal audit work is highlighted as follows:</p> <p>1.) Before engaging in derivatives trading, the Company shall draw up written policies in respect of the nature, type, and total contract value of derivatives trading, the loss amount of all and individual contracts, risk tolerance, internal controls, and trading profits or losses for the Board's or the Chairman's approval.</p> <p>2.) The derivatives trading positions and performance reports shall be reviewed weekly and reported to the Chairman. Hedging transactions that are conducted based on business needs shall be evaluated at least twice a month.</p>	

List of Candidates for Directors and Independent Directors

Category	Candidate	Academic background	Work experience	Positions held concurrently in any other companies
Director	Chi-te CHEN	◎MBA, Santa Clara University, USA	◎Chairman, Chien Kuo Construction Co., Ltd.	◎Director (corporate representative), Taiwan Cement Corporation ◎Director (corporate representative), Chia Hsin Property Management and Development Co., Ltd. ◎Director, Chia Hsin Cement Corporation ◎Director (corporate representative), China Real Estate Management ◎Chairman, Chien Hwei Investment Co., Ltd. ◎Chairman, Deqing Investment Co., Ltd. ◎Chairman (corporate representative), Rock Publishing International Co., Ltd. ◎Chairman (corporate representative), Chien Kuo Development Co., Ltd. ◎Director (corporate representative), Shun Long International Electrical Engineering Co., Ltd. ◎Chairman (corporate representative), Golden Canyon Venture Capital Investment Co., Ltd. ◎Chairman, Chien Huei Cultural & Educational Foundation ◎Chairman, Chien Kuo Foundation For Arts And Culture ◎Director, Silver Shadow Holding Limited ◎Director, Golden Canyon Limited ◎Director, CK Asia Co., Ltd.
	Jianhui Investment & Development Co., Ltd. Representative:	◎Ph.D. in Civil Engineering & Engineering Mechanics, University of	◎General Manager, Pei-Fon Co., Ltd., Shanghai ◎General	◎Director, Silver Shadow Holding Limited ◎Director, Golden Canyon Limited ◎Director, CK Asia Co., Ltd.

Category	Candidate	Academic background	Work experience	Positions held concurrently in any other companies
	Chang-shiou WU	Arizona, USA	Manager, Ruentex Resource Integration Co., Ltd. ◎General Manager, Ruentex Engineering & Construction Co., Ltd.	◎Director, Yangzhou Chien Yung Concrete Co., Ltd. ◎Director, Chien Ya (Yangzhou) Technology Consultant Co., Ltd. ◎Director, Chien Ya (Suzhou) Information Technology Consultant Co., Ltd. ◎Director, Chien Ya (Wuxi) Information Technology Consultant Co., Ltd. ◎Chairman (corporate representative), Shun Long International Electrical Engineering Co., Ltd. ◎Director (corporate representative), Golden Canyon Venture Capital Investment Co., Ltd.
	Pang-yen YANG	◎Master in Instrument Engineering, University of California, USA	◎Vice Chairman, Chien Kuo Construction Co., Ltd.	◎Chairman, Huacheng Capital Co., Ltd. ◎Director, Lian Chang Electronic Enterprise Co., Ltd. ◎Director, Chien Kuo Foundation For Arts And Culture ◎Chairman (corporate representative), Huicheng Capital Co., Ltd. ◎Supervisor, YoungTek Electronics Corp. ◎Chairman, Ding Bang International Co., Ltd. ◎Director (corporate representative), eEver Technology Inc.
	Chung CHENG	◎Master in Electrical and Computer Engineering, University of California, USA ◎MBA, Santa Clara University, USA	◎Independent Director, Chien Kuo Construction Co., Ltd.	◎Chairman, China Real Estate Management Co., Ltd. ◎Chairman (corporate representative), China Development Asset Management Co., Ltd. ◎General Manager, Kang Ning Life Co., Ltd. ◎Director (corporate representative), Keyware Electronics Co., Ltd. ◎Director (corporate representative), Xu Chang Biotech Co., Ltd.

Category	Candidate	Academic background	Work experience	Positions held concurrently in any other companies
	Chu-hsin LEE	◎Bachelor of Electrical Engineering, National Chiao Tung University	◎Independent Director, Chien Kuo Construction Co., Ltd. ◎General Manager, Fubon Financial Holding Venture Capital Corporation	None
	Tzu-chiang YANG	◎Ph.D. in Business Administration, National Chengchi University ◎MBA, University of Illinois at Urbana-Champaign, USA	◎Political Deputy Minister, Ministry of Finance	◎Chairman (corporate representative), Huihong Consulting Co., Ltd. ◎Director (corporate representative), Huiyang Venture Capital Co., Ltd. ◎General Manager, Huiyang Venture Capital Co., Ltd. ◎Director, Huacheng Capital Co., Ltd. ◎Director, Asustek Computer Co., Ltd. ◎Director, Airiti Inc. ◎Director, Hongyang Health Care Co., Ltd. ◎Director, Pegatron Corporation ◎Director, TTY Biopharm Company Limited ◎Director, Huicheng Capital Co., Ltd. ◎Associate Professor, Department of Business Administration, National Chengchi University ◎Director, Financial Literacy & Education Association
	Chien Hsiang Investment Co., Ltd. Representative: Jui-hsing TSAI	◎Martin College Diploma of Graphic Design (Multimedia)	◎Special Assistant, Jianxiang Construction Group	◎Chairman, Jianxin Construction Co., Ltd. ◎Chairman, Jianxiang Development Co., Ltd. ◎Director, Jianxiang Investment Co., Ltd. ◎Supervisor, Jianxiang Construction Co., Ltd.
	Yu-jui CHNAG	◎MBA, National Dong Hwa	◎Supervisor, Chien Kuo	◎Vice General Manager, Chuen Tung Shareholder

Category	Candidate	Academic background	Work experience	Positions held concurrently in any other companies
		University	Construction Co., Ltd.	Service Co., Ltd. ◎Director, Junyue Co., Ltd.
	Chi-hsin CHEN	◎Kaohsiung Commercial and Industrial Vocational High School	◎Supervisor, Chien Kuo Construction Co., Ltd.	◎Business Manager, Headway Group
	Jianhui Investment & Development Co., Ltd. Representative: Pai-tso SUN	◎Master of Business Administration, National Chengchi University	◎Executive Deputy General Manager, Hong Pu Real Estate Development Co., Ltd. ◎General Manager, Chien Kuo Asia Co., Ltd.	◎Director, Silver Shadow Holding Limited ◎Director, Golden Canyon Limited ◎Director, CK Asia Co., Ltd. ◎Director, Chien Ya (Shanghai) Information Technology Co., Ltd. ◎Director, Chien Ya (Wuxi) Information Technology Consultant Co., Ltd. ◎Director (corporate representative), Shun Long International Electrical Engineering Co., Ltd. ◎General Manager, Chien Kuo Development Co., Ltd. ◎Director (corporate representative), Golden Canyon Venture Capital Investment Co., Ltd.
Independent Director	Chin-pao TSAI	◎Master in Accounting, National Chengchi University ◎Master in Laws, National Chengchi University	◎Vice Director, PwC Taiwan	◎Independent Director, ECOVE Environment Corporation ◎Independent Director, Sunny Friend Environmental Technology Co., Ltd. ◎Independent Director, Tanvex Bio Pharma, Inc. ◎Adjunct Associate Professor, Department of Accounting, National Chengchi University ◎Director, TIC Group ◎Chairman (corporate representative), Jiaguang Development Industrial Co., Ltd. ◎Chairman (corporate representative), Wonshida Development Industrial Co., Ltd. ◎Director (corporate representative), TransGlobe

Category	Candidate	Academic background	Work experience	Positions held concurrently in any other companies
				Life Insurance Inc. ◎Director (corporate representative), Orient Golf Co., Ltd. ◎Director (corporate representative), FCB Leasing Co., Ltd. ◎Director (corporate representative), FCB International Leasing, Ltd.
	Chen-yu FENG	◎J.D., Cornell University, USA	◎Director, Department of Financial & Economic Law, Chung Yuan Christian University ◎Business Lawyer, SRSY Law Firm, USA ◎Reporter, Interview Group, Commercial Times	◎Joint Professor of the Department of Law of NCCU and NCCU Graduate Institute of Technology Innovation & Intellectual Property Management (TIIPM) ◎Independent Director, Elitegroup Computer System ◎Independent Director, OBI Pharma, Inc. ◎Independent Director, Eurocharm Holdings Co., Ltd.
	Li-hsing I	◎Master of Civil Engineering, University of Texas at Austin, USA	◎Consultant, BES Engineering Corporation ◎General Manager, Chien Kuo Construction Co., Ltd. ◎Responsible Person, Citygreat Information Technology Co., Ltd. ◎General Manager, Ruentex Construction Co., Ltd. ◎General Manager, Pinghui Construction	◎Responsible Person, Citygreat Information Technology Co., Ltd. ◎Adjunct Associate Professor, Department of Business Administration, National Taiwan University of Science and Technology

Category	Candidate	Academic background	Work experience	Positions held concurrently in any other companies
			Co., Ltd. ◎General Manager, Runan Electrical Engineering Co., Ltd. ◎General Manager, Lisheng Construction Co., Ltd. ◎General Manager, Pengfa Construction Co., Ltd. ◎Associate Engineer, RSEA Engineering Corporation	

Chapter 9. Appendices

(Appendix I)

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:
1. E101011 Synthesis Construction
 2. I101080 Industrial and Mining Consultancy
 3. F111090 Wholesale of Building Materials
 4. F211010 Retail Sale of Building Materials
 5. C901990 Other Non metallic Mineral Products Manufacturing
 6. B202010 Nonmetallic Mining
 7. F115020 Wholesale of Mineral
 8. F215020 Retail Sale of Mineral
 9. B601010 On land Clay and Stone Quarrying
 10. F117010 Wholesale of Fire Fighting Equipments
 11. F217010 Retail Sale of Fire Fighting Equipments
 12. F113010 Wholesale of Machinery
 13. F213080 Retail Sale of Machinery and Equipment
 14. E603020 Elevator Construction
 15. F113030 Wholesale of Precision Instruments
 16. F213040 Retail Sale of Precision Instruments
 17. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
 18. F401010 International Trade.
 19. E602011 Frozen and Air-conditioning Engineering
 20. E603050 Cybernation Equipments Construction
 21. E603040 Fire Fighting Equipments Construction
 22. IF01010 Fire Fighting Equipments Overhauling
 23. IG03010 Energy Technical Services
 24. F113100 Wholesale of Pollution Controlling Equipments
 25. F213100 Retail Sale of Pollution Controlling Equipments
 26. E502010 Fuel Pipe Construction
 27. E599010 Pipe Lines Construction

28. E601020 Electric Appliance Installation
29. E603010 Cables Construction
30. E603080 Traffic Signals Construction
31. E604010 Machinery Installation Construction
32. E501011 Water Pipe Construction
33. E601010 Electric Appliance Construction
34. E605010 Computing Equipments Installation Construction
35. H701010 Residence and Buildings Lease Construction and Development
36. H701020 Industrial Factory Buildings Lease Construction and Development
37. H701050 Public Works Construction and Investment
38. H701060 New County and Community Construction and Investment
39. H701080 Reconstruction within the renewal area
40. H701090 Renovation, or maintenance within the renewal area
41. H703090 Real Estate Commerce
42. H703100 Real Estate Rental and Leasing

Article 2-1. The Company may provide endorsement and guarantee and act as a guarantor when the business or investment requires.

Article 3. The Company shall have its head office in Taipei City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up a branch office within or outside the territory of the Republic of China when deemed necessary.

Article 4. Any and all public announcements shall be made by the Company in accordance with Article 28 of the Company Act.

Chapter 2. Capital Stock

Article 5. The total capital stock of the Company shall be in the amount of NT\$5 billion, divided into 500 million shares, at NT\$10 per share, and may be paid-up in installments. A total of 13 million shares among the above total capital stock should be reserved for issuing employee stock options.

Article 6. The Company's shares shall be registered shares, shall be assigned with serial numbers, shall be affixed with the signatures or personal seals of no less than three directors, and shall be issued only after being approved by the competent authority or duly certified by the issuance institution delegated by the competent authority. 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:

1. Regular shareholders' meeting; and
2. 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. Directors

- Article 14. The Company shall have 9 - 13 directors, elected using the candidate nomination system in the manner as prescribed by Article 192-1 of the Company Act. They shall be elected by the shareholders' meeting from among the candidate for directors, with the term of three (3) years and eligibility for re-election. The total amount of registered shares held by all members of directors shall be handled in accordance with the requirements of the competent authority. When the number of vacancies in the Board of Directors equals one-third of the total number of directors, the Board of Directors shall convene a special shareholders' meeting for the re-election of directors within sixty (60) days.

- 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 29 of the Company Act.

- Article 21. Deleted.

Chapter 6. Accounting

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

1. Business report;
2. Financial statements; and
3. 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:

1. Provide legal reserve pursuant to laws and regulations.
2. Provide (or reverse) special reserves pursuant to laws and regulations or where operation requires.
3. 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.

Chien Kuo Construction Co., Ltd.

Chairman: Chang-shiou WU

Procedures for Election of Directors (Before Revision)

Amended and resolved at the annual shareholders' meeting on June 29, 2018

- Article 1. Except as otherwise provided by relevant laws or the Articles of Incorporation of the Company, the election of the directors of the Company shall comply with these Procedures.
- Article 2. The Company's election of directors shall be held at the shareholders' meeting.
- Article 3. The election of directors of the Company shall be conducted in accordance with the candidate nomination system set out in the Company Act.
- Article 4. The number of directors of the Company is subject to the number of positions specified in the Company's Articles of Incorporation.
- Article 5. The Company's directors shall be duly elected by means of cumulative voting. Each common share with voting right is entitled to the number of ballots which are equivalent to the numbers of directors to be elected. One director may be elected collectively or several directors may be elected separately.
- For the election of directors of the Company, the Board of Directors shall prepare the ballots in the number equal to the number of directors to be elected, with the number of voting rights being noted on the ballots, and distribute the ballots to the shareholders who are present at the shareholders' meeting. The name of the voters may be represented by the attendance number printed on their ballots. If the votes are cast through electronic methods, the ballots will not be printed out.
- Article 6. The independent directors and non-independent directors shall be elected together, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. If two or more candidates receive the same number of votes, which consequently exceeds the number of directors to be elected, such candidates shall draw lots to decide the winner. If such candidate(s) is(/are) not present, the chairman shall draw lots on behalf of the candidate(s).
- Article 7. If in the event that it is confirmed that the elected director is inconsistent with his/her personal information, or does not meet the requirements provided by the relevant laws or regulations, the election of such director shall be void.
- Article 8. Before the beginning of the election, the chairman shall designate a number of shareholders to supervise the casting of the ballots and a number of persons to count the ballots.
- Article 9. The Board of Directors shall set up a ballot box, which shall be examined in public by the persons supervising the casting of ballots, before the ballots are cast.
- Article 10. If a candidate is a shareholder, a voter shall enter the candidate's account name and shareholder account number in the candidate column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number in the candidate column of the ballot and cast the ballot into the ballot box. However, when a candidate is a governmental organization or juristic-person shareholder, the name and shareholder account number of the governmental organization or juristic-person shareholder shall be entered in the candidate column of the ballot in accordance with Paragraph 1, Article 27 of the Company Act, or both the name of the governmental organization or juristic-person shareholder and the

name of its representative may be entered in accordance with Paragraph 2, Article 27 of the Company Act.

- Article 11. An election ballot is deemed null and void under any of the following circumstances:
1. Any ballot cast in violation of these Procedures;
 2. Unwritten blank ballots voted for the voter;
 3. Any ballot with illegible writing rendering it unrecognizable or any ballot with corrections;
 4. Where the candidate voted for is a shareholder of the Company, such candidate's account name and shareholder account number filled in in the ballot is inconsistent with that on the shareholder registry ;where the candidate voted for is not a shareholder of the Company, such candidate's name or ID number is verified to be incorrect;
 5. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or ID card number is provided in the ballot to identify such individual;
 6. Any ballot with characters other than the candidate's name or shareholder account number (ID number); or
 7. Any ballot that is cast with the names of two or more candidates.
- Article 12. A ballot box shall be set up for the election of directors, and shall be examined by the persons supervising the casting of ballots after the ballots are cast.
- Article 13. Persons supervising the casting of ballots shall supervise the counting of votes. The voting results shall be announced by the chairman on the site and recorded in writing.
- Article 14. Deleted.
- Article 15. Any matters not provided for herein shall be subject to the Company Act and relevant laws and regulations and the Article of Incorporations of the Company.
- Article 16. These Procedures shall become effective from the date they are approved at the shareholders' meeting. The same applies in case of revision.

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 allow the shareholders to exercise voting rights by correspondence or electronic means. 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.
- 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 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- or video-recorded and these recorded tapes shall be preserved for at least one (1) year.
- Article 9. Chairman shall call the Meeting to order at the time scheduled for the Meeting. 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 1, Article 175 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 174 of the Company Act of the Republic of China.
- Article 10. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. 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.

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. 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.

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 25, 2021

Title	Name	Date elected	No. of shares documented on the shareholders roster
Chairperson	Chien Hwei Investment Co., Ltd. Representative: Chang-shiou WU	2018.06.29	46,011,532
Vice Chairperson	Chi-te CHEN	2018.06.29	18,844,139
Director	Pang-yen YANG	2018.06.29	1,393,166
Director	Chung CHENG	2018.06.29	0
Director	Chu-hsin LEE	2018.06.29	0
Director	Tzu-chiang YANG	2018.06.29	0
Director	Jianxiang Investment Co., Ltd. Representative: Jui-hsing TSAI	2018.06.29	578,400
Director	Yu-jui CHNAG	2018.06.29	1,209,804
Director	Chi-hsin CHEN	2018.06.29	1,440,316
Director	Chien Hwei Investment Co., Ltd. Representative: Pai-tso SUN	2018.06.29	46,011,532
Independent Director	Chin-pao TSAI	2018.06.29	0
Independent Director	Chen-yu FENG	2018.06.29	0
Independent Director	Li-hsing I	2018.06.29	0
Required minimum shareholding by all directors	12,000,000	Actual shareholding by all directors	69,477,357

Note: The total number of issued shares of the Company as of April 25, 2021 was 257,440,105 shares.

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