KUO YANG CONSTRUCTION

2022 Annual Shareholders' Meeting

Meeting Agenda

(Translation)

June 17, 2022

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Kuo Yang Construction Co., Ltd.

2022 General Shareholders Meeting Agenda

Time: 9:00 a.m. June 17, 2022 (Friday)

Location: Triumph Hall, 7F, No. 20, Sec. 1, Changsha Street, Zhongzheng District, Taipei City, Taiwan (Taipei Hero House)

Convening method: Physical Shareholders Meeting

I. Call meeting to order

II. Chairman takes seat

III. Chairman's speech

IV. Reports:

- (I) 2021 Business Report.
- (II) The Audit Committee's Audit Report on the 2021 Financial Report.
- (III) Report on the Company's distribution of 2021 remuneration to employees and Directors.
- (IV) Report on the Company's distribution of cash dividends from 2021 earnings.

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- (I) 2021 Business Report and Financial Statements.
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VI. Matters for Discussion

- (I) Amendment of the Articles of Incorporation
- (II) Amendment of the Procedures for the Acquisition and Disposal of Assets

VII. Extraordinary Motions

VIII. Meeting Adjourned

Reports

Reports

I. The Company's 2021 Business Report is hereby submitted for review.

Explanation: Refer to the Procedures Manual (Attachment 1) for the Company's 2021 Business Report.

II. The Audit Committee's Audit Report on the 2021 Financial Report is submitted for review.

Explanation: Refer to the Procedures Manual (Attachment 2) for the Company's 2021Audit Report.

III. The report on the Company's distribution of 2021 remuneration to employees and Directors is submitted for review.

Explanation: (I) The remuneration is distributed in accordance with Article 29 of the Company's Articles of Incorporation.

(II) The Company proposed cash remunerations of NT$5,842,593 to employees and NT$5,842,593 to Directors for 2021.

IV. The report on the Company's distribution of cash dividends from 2021 earnings is submitted for review.

Explanation: (I) According to regulations in the Company Act and the Company's Articles of Incorporation, the Company may distribute earnings at the end of each quarter. Where the earnings are distributed in cash, they shall be processed in accordance with a resolution of the meeting of the Board of Directors and reported in the shareholders' meeting.

(II) The Company has completed the following:

(1) On May 10, the Board of Directors passed a resolution for the distribution of the earnings for the one quarter of 2021 in the form of cash dividends totaling NT$190,000,000 (NT$0.5 per share) which were distributed on December 22, 2021.

(2) On August 9, the Board of Directors passed a resolution for the distribution of the earnings for the second quarter

of 2021 in the form of cash dividends totaling NT$190,000,000 (NT$0.5 per share) which were distributed on December 22, 2021.

(3) On November 8, 2021, the Board of Directors passed a resolution for the distribution of the earnings for the third quarter of 2021 and decided to retain all earnings instead of distribution.

(4) On Mar 30, 2022, the Board of Directors passed a resolution for the distribution of the earnings for the fourth quarter of 2021 and decided to retain all earnings instead of distribution.

Ratifications

Ratifications

Proposal 1 Proposed by the Board of Directors

Proposal: The Company's 2021 Business Report and Financial Statements are submitted for ratification.

Explanation:
I. The Company's 2021 Financial Statements (including the Consolidated Financial Statements and Individual Financial Statements) were passed in a resolution of the Board of Directors and audited by independent auditors, CPA Chun-Yuan Hsiao, and CPA Fang-Yu Wang of the CPA firm, PricewaterhouseCoopers, Taiwan. The aforementioned Financial Statements (including the Consolidated Financial Statements and Individual Financial Statements) were reviewed by the Audit Committee which has issued an Audit Report.

II. Refer to the Procedures Manual (Attachment 3) for the Company's 2021 Financial Statements.

III. The proposal is hereby submitted for ratification.

Resolution:

Proposal 2 Proposed by the Board of Directors

Proposal: The Company's 2021 earnings distribution proposal is submitted for ratification.

Explanation: I. The Company's 2021 Financial Report has been completed and the 2021 earnings distribution statement is provided in the Procedures Manual (Attachment 4).

II. The proposal is hereby submitted for ratification.

Resolution:

Matters for Discussion

Matters for Discussion

Proposal 1 Proposed by the Board of Directors

Explanation: I. The Company plans to amend the Articles of Incorporation to meet requirements for the Company's business operations. Please refer to Attachment 5 for the table of comparison of revised articles.

II. The proposal is hereby submitted for approval.

Resolution:

Proposal 2 Proposed by the Board of Directors

Explanation: I. The Company plans to amend the Procedures for the Acquisition or Disposal of Assets in accordance with the amendment of the regulations by the competent authority. Please refer to Attachment 6 for the table of comparison of revised articles.

II. The proposal is hereby submitted for approval.

Resolution:

Extraordinary Motions

Meeting Adjourned

Attachment 1

2021 Business Report

I. Business Plan Implementation Results

(I) 8 projects to be sold

1. 8 projects completed
   - Kuo Yan, The Green Place A, The Green Place B, The Green Place C, Smile Era, South Manor, Kuo Yang Silicon Valley, Good morning, Kuo Yang.
2. Total: 312 units and 423 vehicles
3. Sales Amount：NT$ 5,409,390,000

(II) 1 new project delivery

- Good morning, Kuo Yang. was delivered in Q4 2021

II. Budget Implementation

The Company did not prepare a financial forecast for 2021 and therefore does not prepare an analysis report.

III. Financial Expenditures and Profitability

(I) **Financial Expenditures**

Unit: NT$1,000

Item	2021	2020
Operating revenue	5,124,284	14,277,915
Operating costs	(3,762,094)	(8,752,481)
Operating profit	1,362,190	5,525,434
Operating expenses	(421,957)	(521,605)
Operating profit	940,233	5,003,829
Non-operating income and expenses	225,397	155,761
Pre-tax profit	1,165,630	5,159,590
Income tax expenses	(183,493)	(216,523)
Net profit of the term	982,137	4,943,067

(II) **Profitability**

Item	2021	2020
Return on assets	5.41%	25.72%
Return on equity	10.59%	56.47%
Pre-tax income to paid-in capital ratio	30.67%	135.78%
Net profit margin	19.17%	34.62%
Earnings per share (NT$)	2.58	7.58

IV. Research and Development

(I) Key development projects:

1. Urban renewal projects: Kuo Yang Jilin (New Jilin Urban Renewal

Project),Xindian Baoyuan Project, Ren'ai Road Urban Renewal Project, Kaohsiung Special Trade Zone 3 Office Building Urban Renewal Project

2. Plants and offices: Kuo Yang Intercontinental Corporate Head Office (Neihu Jiuzong Section Project), Kuo Yang Digital Technology Building (Zhongxing Section Project),Tucheng Zhongyi Section Project
3. Undeveloped land: Tainan Guanqian Section Project, The Green Place D.

(II) In terms of land developmen

1. In response to the return of Taiwanese businesses and the global development of the supply chain, we actively developed factory and office land in industrial zones to promote domestic industrial development, satisfy market demand, create niche products, and strengthen the Company's profitability.
2. The Company participated in tendering/investment solicitation for core areas in key development zones, and the development of urban renewal or land projects in areas near public transportation hubs. We also appointed a team of professional consultants to conduct assessments and analyses in accordance with the latest laws and policies to respond to supply and demand in the market and empower business growth.
3. In addition to the joint construction in urban renewal projects and land development in industrial zones, we began to make use of idle assets such as land used for the Minquan East Road Project.

(III) In terms of engineering quality

1. In addition to commissioning large-scale construction groups to participate in the construction projects, we also introduced the building information management system to improve engineering quality and enhance construction management.
2. We also actively developed new construction methods to improve the Company's competitiveness and customer satisfaction and create a positive brand image.

Chairman: Tzu-Kuan Lin

Manager: Shao-Ling Peng

Accounting Manager: Cheng-I Wang

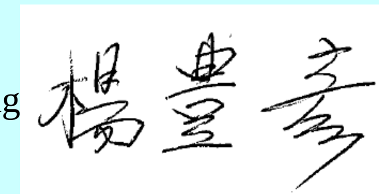
Attachment 2

Kuo Yang Construction Co., Ltd. Audit Committee's Review Report

The 2021 Financial Statements (Consolidated Financial Statements and Individual Financial Statements) prepared by the Company's Board of Directors were audited by PricewaterhouseCoopers, Taiwan which issued an Audit Report. The aforementioned Financial Statements were reviewed by the Audit Committee which found them to be compliant with regulations. The Committee therefore issued the Audit Report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

Respectfully submitted to

The shareholders' meeting of 2022

Audit Committee Convener: Li-Yen Yang 

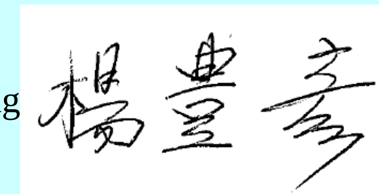
March 21, 2022

Kuo Yang Construction Co., Ltd. Audit Committee's Review Report

The 2021 Business Report and Earnings Distribution Statement were reviewed by the Audit Committee which found them to be compliant with regulations. The Committee therefore issued the Audit Report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

Respectfully submitted to

The shareholders' meeting of 2022

Audit Committee Convener: Li-Yen Yang 

March 30, 2022

Attachment 3 2021 Financial Statements and Independent Auditor's Report

Independent Auditor's Report

(2022) Cai-Shen-Bao-Zi No. 21004855

To Kuo Yang Construction Co., Ltd.:

Audit Opinions

The Consolidated Balance Sheet of Kuo Yang Construction Co., Ltd. and subsidiaries (hereinafter referred to as Kuo Yang Group) as of December 31, 2021 and 2020, Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Cash Flow Statement, and Notes to the Consolidated Financial Statements (including a summary of material accounting policies) from January 1 to December 31, 2021 and 2020 have been audited by the CPA.

In our opinion, based on the results of the CPA's audit and the audit reports of other CPAs (refer to Other Supplementary Matters), the aforementioned Consolidated Financial Statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, and explanations/interpretations approved by FSC in all material respects and are therefore sufficient in presenting the consolidated financial conditions of the Kuo Yang Group as of December 31, 2021 and 2020, and the consolidated financial performance and consolidated cash flow from January 1 to December 31, 2021and 2020.

Basis of Audit Opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Generally Accepted Auditing Standards in the Republic of China. Our responsibility based on these standards will be explained in greater detail in the section on our responsibilities for the review of the Consolidated Financial Statements. The personnel of the CPA firm who are governed by regulations on independence have acted according to the ROC CPA Code of Professional Ethics and remained independent of Kuo Yang Group when fulfilling other obligations set forth in the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters pertain to the most important items of Kuo Yang Group's 2021 Consolidated Financial Statements as per the professional judgment of the CPA. These matters were addressed in the context of our audit of the Consolidated 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 of the Consolidated Financial Statements of Kuo Yang Group for 2021 are as follows:

Appropriateness of the period in which income from the sales of houses and land is recognized

Description

Refer to Note 4 (29) in the Consolidated Financial Statements for accounting policies on operating revenue from construction. Refer to Note 6 (18) of the Consolidated Financial Report for description of accounting items.

The revenue from the sales of houses and land in the construction business is recognized when the ownership of the real estate is transferred and the property inspection certificate is delivered to the customer. As the houses and land of a construction business are sold to many customers, the CPA is required to review all information on the transfer of ownership before recognizing sales revenue. The process generally involves a high amount of manual labor to determine the accuracy of the timing for recognizing sales revenue. Therefore, the CPA regarded the appropriateness of the period in which income from the sales of houses and land is recognized as one of the most important items in the audit.

Corresponding auditing procedures

The CPA has compiled the following corresponding procedures that were executed for the specific levels described in the aforementioned key audit matters:

- We interviewed the management to understand and review the procedures for recognizing sales revenue from the sales of houses and land and verify whether the procedures have been consistently adopted in the period of the Financial Statements.
- We assessed and tested the appropriateness of the period in which income from the sales of houses and land is recognized by the management within a certain period after the end of the period, including the information on the transfer of ownership of the land and houses and related dates to verify the accuracy of the timing for recognizing sales revenue.

Inventories valuation - land for construction

Description

Refer to Note 4 (13) of the Consolidated Financial Statements for accounting policies on construction land valuation. Refer to Note 5 of the Consolidated Financial Statements for accounting estimates and uncertainties of assumptions for inventory valuation. Refer to Note 6 (5) of the Consolidated Financial Statements for description of accounting items.

The inventory valuation of Kuo Yang Construction is measured based on the cost and net realizable value (NRV), whichever is lower. The houses and land for sale and houses and land under construction are compared with the most recent transaction prices in the vicinity of the sites or the Company's recent sales contracts. As it is difficult to obtain comparable sales prices for construction land, the valuation of the net realizable value of construction land requires the judgment or estimate of the management. Therefore, we consider the valuation of the net realizable value of a construction site as one of the most important items in the audit.

Corresponding auditing procedures

- Understand and assess the internal operating procedures and accounting procedures for the valuation of land for construction by the Company's management.

- Obtain data for the assessment of the net realizable value, confirm the reasonableness of the data sources, assumptions, or methods employed, and test the content of the data to confirm the reasonableness of the construction land valuation.

Other matters - Reference to audits of other CPAs

We did not audit certain investments accounted for through the equity method in the financial statements of Kuo Yang Group for 2021 and 2020. Those financial statements were audited by other CPAs. As such, our opinions in the aforementioned Consolidated Financial Statements on the amounts included in the aforementioned financial statements and related information disclosed in Note 13 were based on audit reports of other CPAs. The investment on equity method totaling NT$970,823 thousand and NT$564,559 thousand as of December 31, 2021 and 2020 accounted for 5.60% and 2.78% of the total assets, respectively. The comprehensive income recognized for 2021 and 2020 was NT$168,898 thousand and NT$34,168 thousand, which accounted for23.05% and 0.64% of the total comprehensive income for the period, respectively.

Other matters - Individual Financial Statements

Kuo Yang Construction Co., Ltd. has prepared Individual Financial Statements for 2021 and 2020, for which we have issued an audit report containing an unqualified opinion plus other matters for reference.

Responsibilities of the management and the governing bodies for the Consolidated Financial Statements

The responsibility of the management was to prepare the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" to properly indicate the company's financial status and to maintain necessary internal control with regard to establishment of consolidated financial statements to ensure such financial statements did not contain any false contents as a result of fraudulence or mistakes.

When the Consolidated Financial Statements were in the process of preparation, the responsibility of the management also included assessment of the capacity of Kuo Yang Group to continue operation, disclosure of related matters and the accounting approaches to be adopted when the company continued to operate unless the management intended to liquidate or suspend the business of Kuo Yang Group if there was not any other option except liquidation or suspension of the company's business.

The governance units (including the Audit Committee) of Kuo Yang Group are responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an independent auditor's report. Reasonably reliable means highly reliable. However, auditing work carried out in accordance with the Generally Accepted Auditing Standards of the ROC cannot guarantee detection of significant misrepresentations in the Consolidated Financial Statements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

When conducting the auditing work according to the Generally Accepted Auditing Standards of the ROC, we exercised our professional judgment and remained professionally skeptical. We also execute the following tasks:

1. Identified and evaluated the risk of material misstatement due to fraud or error in the Consolidated Financial Statements; Designed and carried out appropriate countermeasures for the evaluated risks; Obtained sufficient and appropriate evidence as the basis for the audit opinion. As fraud may involve collusion, forgery, deliberate omissions, false statements, or violations of internal controls, the risks of material misstatements due to fraud are greater than those caused by errors.

2. Acquired necessary understanding about internal control which matters to audit and provide appropriate audit procedure under such circumstances. However, the purpose of such understanding is not for providing any opinion on the effectiveness of internal control of Kuo Yang Group.

3. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

4. Concluded on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Kuo Yang Group's ability to continue as a going concern. If we consider that material uncertainty exists in these matters or conditions, we are required to remind the users of the Consolidated Financial Statements to pay attention to relevant disclosure in the statements in their audit report, or revise the audit opinions when such disclosure is inappropriate. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause Kuo Yang Group to cease to continue as a going concern.

5. Evaluated the overall expression, structure and content of the Consolidated Financial Statements (including related notes) and if these statements present fairly the related transactions and events.

6. Obtained sufficient and appropriate proof for audit on the finances of the individual entities in Kuo Yang Group to state our opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the consolidated audit. We remain solely responsible for the audit opinions of the Consolidated Financial Statements.

The CPAs' communications with the governance units include the planned scope and period of the audit and material finding in the audit (including significant defects identified in the internal control during auditing procedures).

We provided governance units with a statement assuring the personnel of our accounting firm who are subject to independent regulations had acted according to the ROC CPA Code of Professional Ethics to remain neutral and communicated with them about the all relations and other matters (including related preventive measures) that could affect the independence of the CPA.

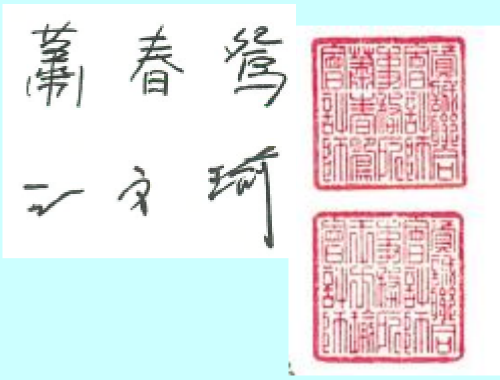
From the matters communicated with those charged with governance, the CPA determines matters that were of most significance in the audit of the 2021 Consolidated Financial Statements of Kuo Yang Group for the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Taiwan

Chun-Yuan Hsiao

CPAs

Fang-Yu Wang



Former Securities and Futures Bureau, Financial Supervisory Commission
No. of Approval Document: Jin-Guan-Zheng-6 No. 0960042326
Financial Supervisory Commission
No. of Approval Document: Jin-Guan-Zheng-Shen No. 1030027246

March 21, 2021

Kuo Yang Construction Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2021 and 2020

Unit: NT$1,000

	Assets	Notes	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets					
1100	Cash and cash equivalents	6 (1)	$ 2,661,525	15	$ 1,504,926	8
1110	Current financial assets at fair value through profit or loss	6 (2)	20,424	-	36,939	-
1120	Current financial assets at fair value through other comprehensive income	6 (3)	744,787	4	91,414	1
1150	Notes receivable, net	6 (4)	70,618	-	61,748	-
1170	Accounts receivable, net	6 (4) and 7	454,495	3	37,800	-
1200	Other receivables	7	305,206	2	400,084	2
1220	Current income tax assets		11,848	-	329	-
130X	Inventories	6 (5) (6) and 8	10,658,248	62	14,025,233	76
1410	Prepayments		240,506	1	365,978	2
1476	Other financial assets - current	8	1,230	-	310,313	2
1479	Other current assets - other		73,945	1	70,671	-
11XX	**Total current assets**		15,242,832	88	16,905,435	91
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6 (3) and 7	426,132	3	1,024,216	5
1550	Investments recognized under the equity method	6 (7) and 7	971,832	6	565,612	3
1600	Property, plant and equipment	6 (8) and 8	78,942	1	86,325	-
1755	Right-of-use assets	6 (9) and 8	61,412	-	358,860	2
1760	Investment properties, net	6 (10) and 8	254,028	1	255,414	1
1840	Deferred income tax assets		13,737	-	-	-
1920	Refundable deposits	7	164,002	1	104,287	1
1980	Other financial assets - non current	8	59,437	-	59,435	-
1990	Other non-current assets - other		77,221	-	117,700	1
15XX	**Total non-current assets**		2,106,743	12	2,571,849	13
1XXX	**Total assets**		$ 17,349,575	100	$ 20,309,086	100

(Continued)

Kuo Yang Construction Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2021 and 2020

Unit: NT$1,000

	Liabilities and Equity	Notes	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities					
2100	Short-term borrowings	6 (11)	$ 4,671,351	27	$ 3,518,839	17
2110	Short-term notes and bills payable	6 (12)	1,138,402	7	1,883,373	9
2130	Contract liabilities - current	6 (18) and 7	998,447	6	1,012,044	5
2150	Notes payable		245,348	1	107,188	1
2170	Accounts payable		394,337	2	829,033	4
2219	Other payables - other	6 (14) and 7	253,898	2	3,456,579	17
2230	Current income tax liabilities		217,920	1	33,005	-
2280	Lease liabilities - current		22,308	-	21,991	-
2399	Other current liabilities - other		96,084	1	89,102	1
21XX	**Total current liabilities**		8,038,095	47	10,951,154	54
	Non-current liabilities					
2580	Lease liabilities - non-current		44,092	-	63,147	-
2645	Deposits received	7	2,853	-	2,996	-
2670	Other non-current liabilities - other		1,221	-	1,195	-
25XX	**Total non-current liabilities**		48,166	-	67,338	-
2XXX	**Total liabilities**		8,086,261	47	11,018,492	54
	Equity					
	Equity attributable to owners of parent company					
	Share capital	6 (14)				
3110	Capital stock - common		3,800,000	22	3,800,000	19
	Capital surplus	6 (15)				
3200	Capital surplus		627,683	3	627,683	3
	Retained earnings	6 (16)				
3310	Legal reserve		988,010	6	856,070	4
3350	Undistributed earnings		3,823,726	22	3,456,890	17
	Other equity	6 (17)				
3400	Other equity		(10,017)	-	516,025	3
31XX	**Total equity attributable to owners of parent company**		9,229,402	53	9,256,668	46
36XX	**Non-controlling interest**		33,912	-	33,926	-
3XXX	**Total equity**		9,263,314	53	9,290,594	46
	Significant contingent liabilities and unrecognized contractual commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 17,349,575	100	$ 20,309,086	100

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

Chairman: Tzu-Kuan Lin　　Manager: Shao-Ling Peng　　Accounting Manager: Cheng-I Wang

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

Unit: NT$1,000
(except earnings per share which is expressed in NT$)

	Item	Notes	2021 Amount	2021 %	2020 Amount	2020 %
4000	Operating revenue	6 (18) and 7	$ 5,124,284	100	$ 14,277,915	100
5000	Operating costs	6 (15) (23) (24)	(3,762,094)	(74)	(8,752,481)	(61)
5900	Operating profit		1,362,190	26	5,525,434	39
	Operating expenses	6 (23) (24)				
6100	Promotion expenses		(169,106)	(3)	(204,193)	(2)
6200	Administrative expenses		(252,851)	(5)	(317,412)	(2)
6000	Total operating expenses		(421,957)	(8)	(521,605)	(4)
6900	Operating profit		940,233	18	5,003,829	35
	Non-operating income and expenses					
7100	Interest income	6 (19)	7,143	-	55,593	-
7010	Other income	6 (20)	72,190	2	91,727	1
7020	Other profits and losses	6 (21)	(12,671)	-	44,829	-
7050	Finance costs	6 (22)	(46,674)	(1	(70,441)	-)
7060	Share of profit or loss of affiliates and joint ventures recognized under the equity method	6 (7)	205,409	4	34,053	-
7000	Total non-operating income and expenses		225,397	5	155,761	1
7900	**Pre-tax profit**		1,165,630	23	5,159,590	36
7950	Income tax expenses	6 (25)	(183,493)	(4)	(216,523)	(1)
8200	**Net profit of the term**		$ 982,137	19	$ 4,943,067	35

(Continued)

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

Unit: NT$1,000
(except earnings per share which is expressed in NT$)

Code	Item	Notes	2021 Amount	2021 %	2020 Amount	2020 %
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Remeasurements of defined benefit plan		$ -	-	$ 578	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6 (17)	(249,335)	(5)	436,826	3
8310	Total components of other comprehensive income that will not be reclassified to profit or loss		(249,335)	(5)	437,404	3
	Components that may be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements	6 (17)	(108)	-	(136)	-
8370	Share of other comprehensive profit or loss of affiliates and joint ventures recognized under the equity method - components that may be reclassified to profit or loss	6 (17)	26	-	(14)	-
8360	Total components that may be reclassified to profit or loss		(82)	-	(150)	-
8300	**Other comprehensive income (net)**		($ 249,417)	(5)	$ 437,254	3
8500	**Total comprehensive income**		$ 732,720	14	$ 5,380,321	38
	Net profit (loss) attributable to:					
8610	Owners of the parent company		$ 982,151	19	$ 4,943,139	35
8620	Non-controlling interest		(14)	-	(72)	-
	Total comprehensive income attributable to:		$ 982,137	19	$ 4,943,067	35
8710	Owners of the parent company					
8720	Non-controlling interest		$ 732,734	14	$ 5,380,393	38
	EPS	6 (26)				
9750	Basic earnings per share		$ 2.58		$ 7.58	
9850	Diluted earnings per share		$ 2.58		$ 7.57	

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

Chairman: Tzu-Kuan Lin　　Manager: Shao-Ling Peng　　Accounting Manager: Cheng-I Wang

Kuo Yang Construction Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2021 and 2020
Unit: NT$1,000

		Equity attributable to owners of parent company								
				Retained earnings		Other equity				
	Notes	Capital stock - common	Capital surplus	Legal reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
2020										
Balance as at January 1, 2021		$ 6,965,825	$ 627,683	$ 372,395	$ 130,048	$ 22,266	$ 73,244	$ 8,191,461	$ 25,998	$ 8,217,459
Net profit of the term		-	-	-	4,943,139	-	-	4,943,139	(72)	4,943,067
Other comprehensive income for the period	6 (17)	-	-	-	578	(150)	436,826	437,254	-	437,254
Total comprehensive income		-	-	-	4,943,717	(150)	436,826	5,380,393	(72)	5,380,321
Earnings appropriation and distribution:	6 (16)									
Allocation to legal reserve		-	-	483,675	(483,675)	-	-	-	-	-
Cash dividends		-	-	-	(1,149,361)	-	-	(1,149,361)	-	(1,149,361)
Changes in non-controlling interests for the period		-	-	-	-	-	-	-	8,000	8,000
Cash refunded in capital reduction		(3,165,825)	-	-	-	-	-	(3,165,825)	-	(3,165,825)
Disposal of equity instruments in other comprehensive income measured at fair value through profit and loss		-	-	-	16,161	-	(16,161)	-	-	-
Balance at December 31, 2021		$ 3,800,000	$ 627,683	$ 856,070	$ 3,456,890	$ 22,116	$ 493,909	$ 9,256,668	$ 33,926	$ 9,290,594
2021										
Balance as at January 1, 2020		$ 3,800,000	$ 627,683	$ 856,070	$ 3,456,890	$ 22,116	$ 493,909	$ 9,256,668	$ 33,926	$ 9,290,594
Net profit of the term		-	-	-	982,151	-	-	982,151	(14)	982,137
Other comprehensive income for the period	6 (17)	-	-	-	-	(82)	(249,335)	(249,417)	-	(249,417
Total comprehensive income		-	-	-	982,151	(82)	(249,335)	732,734	(14)	732,720
Earnings appropriation and distribution:	6 (16)									
Allocation to legal reserve		-	-	131,940	(131,940)	-	-	-	-	-
Cash dividends		-	-	-	(760,000)	-	-	(760,000)	-	(760,000)
Disposal of equity instruments in other comprehensive income measured at fair value through profit and loss	6 (17)	-	-	-	276,625	-	(276,625)	-	-	-
Balance at December 31, 2020		$ 3,800,000	$ 627,683	$ 988,010	$ 3,823,726	$ 22,034	($ 32,051)	$ 9,229,402	$ 33,912	$ 9,263,314

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

Chairman: Tzu-Kuan Lin Manager: Shao-Ling Peng Accounting Manager: Cheng-I Wang

Kuo Yang Construction Co., Ltd. and Subsidiaries
Consolidated Cash Flow Statement
January 1 to December 31, 2021 and 2020

Unit: NT$1,000

	Notes	, 2021	, 2020
Cash Flows from Operating Activities			
Net profit before tax of the current period		$ 1,165,630	$ 5,159,590
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6 (23)	29,882	34,013
Amortization	6 (23)	234	178
Interest expenses	6 (22)	46,674	70,441
Interest income	6 (19)	(7,143)	(55,593)
Share of profit (loss) of affiliates and joint ventures recognized under the equity method	6 (7)	(205,409)	(34,053
Dividend income	6 (20)	(51,934)	(46,352)
Net gains on financial assets at fair value through profit or loss	6 (21)	(262)	(336)
Disposal of gains from investments recognized under the equity method		(-	(52,460)
Gains on disposal of investments		(-	(358)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		18,070)	9,200
Accounts receivable, net		(204,981)	(211,714
Other receivables		(192,725	(83,448)
Inventories		393,341)	4,277,390)
Prepayments		(334,192	(219,227)
Other current assets		(2,731	(6,005)
Intangible assets		(245)	(177)
Net defined benefit assets		-	6,854
Other non-current assets		(40,490	(3,733
Changes in operating liabilities			
Contract liabilities		(13,597)	(23,970
Notes payable		138,160	42,277)
Accounts payable		434,696)	175,479
Other payables		39,765)	213,953
Other current liabilities		6,982	59,536)
Cash inflow (outflow) generated from operations		588,257	9,311,485)
Interest received		2,256)	55,593
Interest paid		(112,766)	(159,617)
Income tax paid and refunded		-	161
Income tax paid		(10,206)	(182,847)
Dividends received		116,094	41,352
Net cash inflow (outflow) from operating activities		579,123	9,066,127)

(Continued)

Kuo Yang Construction Co., Ltd. and Subsidiaries
Consolidated Cash Flow Statement
January 1 to December 31, 2021 and 2020

Unit: NT$1,000

	Notes	2021	, 2020
Cash Flows from Investing Activities			
Current financial assets at fair value through profit or loss		$ 12,113	$ 5,358
Acquisition of current financial assets at fair value through other comprehensive income		(2,624,129)	(851,638
Disposal of current financial assets at fair value through other comprehensive income		2,374,751	528,140
Acquisition of non-current financial assets at fair value through other comprehensive income	7	(10,645)	(192,765)
Decrease of other financial assets		228,108	80,969)
Acquisition of payments for investments recognized under the equity method	7	(22,456)	(480,000
Disposal of payments for investments recognized Increase (decrease) in under the equity method	7	-	204,086
Increase in refundable deposits Acquisition of property, plant and equipment		(59,715)	18,580)
Disposal in refundable deposits Acquisition of property, plant and equipment		-	(20,272)
		108	-)
Other non-current liabilities - other increases		26	25
Net cash used in investing activities		(101,839)	(707,517)
Cash Flows from Financing Activities			
Increase (decrease) in short-term borrowings	6 (27)	1,152,512	(2,057,637)
Decrease in short-term bills payable	6 (27)	(744,971)	(916,262
Repayments of lease liabilities	6 (27)	(21,403)	(21,001)
Decrease in guarantee deposits received	6 (27)	(143)	(1,647
Cash dividends paid	6 (16) (27)	(760,000)	(1,149,361
Cash refunded in capital reduction	6 (14)	(3,165,825)	-
Changes in non-controlling interests		-	8,000
Net cash outflow from financing activities		(3,539,830)	(4,137,908)
Effect of exchange rate changes on cash and cash equivalents		(868)	(689)
(Decrease)increase in cash and cash equivalents for the current period		(3,063,414)	4,220,013
Cash and cash equivalents at beginning of period		5,724,939	1,504,926
Cash and cash equivalents at end of period		$ 2,661,525	$ 5,724,939

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

Chairman: Tzu-Kuan Lin Manager: Shao-Ling Peng Accounting Manager: Cheng-I Wang

Independent Auditor's Report

(2022) Cai-Shen-Bao-Zi No. 21004857

To Kuo Yang Construction Co., Ltd.:

Audit Opinions

The Individual Balance Sheet of Kuo Yang Construction Co., Ltd. as of December 31, 2021 and 2020 and the Individual Statement of Comprehensive Income, Individual Statement of Changes in Equity, Individual Cash Flow Statement, and Notes to the Individual Financial Statements (including a summary of material accounting policies) from January 1 to December 31, 2021 and 2020 have been audited by the CPA.

In our opinion and based on our audits and reports of other CPAs, the Individual Financial Statements were prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" in all material respects, and present fairly the individual financial position of Kuo Yang Construction as of December 31, 2021 and 2020, and its individual financial performance and its individual cash flow from January 1 to December 31, 2021 and 2020.

Basis of Audit Opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Generally Accepted Auditing Standards in the Republic of China. Our responsibility based on these standards will be explained in greater detail in the section on our responsibilities for the review of the Individual Financial Statements. The personnel of the CPA firm who are governed by regulations on independence have acted according to the ROC CPA Code of Professional Ethics and remained independent of Kuo Yang Construction when fulfilling other obligations set forth in the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters pertain to the most important items of Kuo Yang Construction's 2021 Individual Financial Statements as per the professional judgment of the CPA. These matters were addressed in the context of our audit of the Individual 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 of the Individual Financial Statements of Kuo Yang Construction for 2021 are as follows:

Appropriateness of the period in which income from the sales of houses and land is recognized

<u>Description</u>

Refer to Note 4 (26) in the Individual Financial Statements for accounting policies on operating revenue from construction, and refer to Note 6 (17) for the explanation of accounting items.

The revenue from the sales of houses and land in the construction business is recognized when the ownership of the real estate is transferred and the property inspection certificate is delivered to the customer. As the houses and land of a construction business are sold to many customers, the CPA is required to review all information on the transfer of ownership before recognizing sales revenue. The process generally involves a high amount of manual labor to determine the accuracy of the timing for recognizing sales revenue. Therefore, the CPA regarded the appropriateness of the period in which income from the sales of houses and land is recognized as one of the most important items in the audit.

<u>Corresponding auditing procedures</u>

The CPA has compiled the following corresponding procedures that were executed for the specific levels described in the aforementioned key audit matters:

- We interviewed the management to understand and review the procedures for recognizing sales revenue from the sales of houses and land and verify whether the procedures have been consistently adopted in the period of the Financial Statements.

- We assessed and tested the appropriateness of the period in which income from the sales of houses and land is recognized by the management within a certain period after the end of the period, including the information on the transfer of ownership of the land and houses and related dates to verify the accuracy of the timing for recognizing sales revenue.

Inventories valuation - land for construction

<u>Description</u>

Refer to Note 4 (12) of the Individual Financial Statements for accounting policies on construction land valuation. Refer to Note 5 of the Individual Financial Report for accounting estimates and uncertainties of assumptions for inventory valuation. Refer to Note 6 (5) of the Individual Financial Report for description of accounting items.

The inventory valuation of Kuo Yang Construction is measured based on the cost and net realizable value (NRV), whichever is lower. The houses and land for sale and houses and land under construction are compared with the most recent transaction prices in the vicinity of the sites or the Company's recent sales contracts. As it is difficult to obtain comparable sales prices for construction land, the valuation of the net realizable value of construction land requires the judgment or estimate of the management. Therefore, we consider the valuation of the net realizable value of a construction site as one of the most important items in the audit.

Corresponding auditing procedures

- Understand and assess the internal operating procedures and accounting procedures for the valuation of land for construction by the Company's management.

- Obtain data for the assessment of the net realizable value, confirm the reasonableness of the data sources, assumptions, or methods employed, and test the content of the data to confirm the reasonableness of the construction land valuation.

Other matters - Reference to audits of other CPAs

We did not audit certain investments accounted for through the equity method in the financial statements of Kuo Yang Construction for 2021 and 2020. Those financial statements were audited by other CPAs. As such, our opinions in the aforementioned Individual Financial Statements on the amounts included in the aforementioned financial statements and related information disclosed in Note 13 were based on audit reports of other CPAs. The investment on equity method totaling NT$970,823 thousand and NT$564,559 thousand as of December 31, 2021 and 2020 accounted for 5.93% and 2.94% of the total assets, respectively. The comprehensive income recognized for 2021 and 2020 was NT$168,898 thousand and NT$34,168 thousand, which accounted for 23.05% and 0.64% of the total comprehensive income for the period, respectively.

Responsibilities of the management and the governing bodies for the Individual Financial Statements

The responsibility of the management was to prepare the individual financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" to properly indicate the company's financial status and to maintain necessary internal control with regard to establishment of individual financial statements to ensure such financial statements did not contain any false contents as a result of fraudulence or mistakes.

When the Individual Financial Statements were in the process of preparation, the responsibility of the management also included assessment of the capacity of Kuo Yang Construction to continue operation, disclosure of related matters and the accounting approaches to be adopted when the company continued to operate unless the management intended to liquidate or suspend the business of Kuo Yang Construction if there was not any other option except liquidation or suspension of the company's business.

The governance units (including the Audit Committee) of Kuo Yang Construction are responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the Individual Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an independent auditor's report. Reasonably reliable means highly reliable. However, auditing work carried out in accordance with the Generally Accepted Auditing Standards of the ROC cannot guarantee detection of significant misrepresentations in the Individual Financial Statements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

When conducting the auditing work according to the Generally Accepted Auditing Standards of the ROC, we exercised our professional judgment and remained professionally skeptical. We also execute the following tasks:

1. Identified and evaluated the risk of material misstatement due to fraud or error in the Individual Financial Statements. Designed and carried out appropriate countermeasures for the evaluated risks; Obtained sufficient and appropriate evidence as the basis for the audit opinion. As fraud may involve collusion, forgery, deliberate omissions, false statements, or violations of internal controls, the risks of material misstatements due to fraud are greater than those caused by errors.

2. Acquired necessary understanding about internal control which matters to audit and provide appropriate audit procedure under such circumstances. However, the purpose of such understanding is not for providing any opinion on the effectiveness of internal control of Kuo Yang Construction.

3. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

4. Concluded on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Kuo Yang Construction's ability to continue as a going concern. If we consider that material uncertainty exists in these matters or conditions, we are required to remind the users of the Individual Financial Statements to pay attention to relevant disclosure in the statements in their audit report, or revise the audit opinions when such disclosure is inappropriate. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause Kuo Yang Construction to cease to continue as a going concern.

5. Evaluated the overall expression, structure and content of the Individual Financial Statements (including related notes) and if these statements present fairly the related transactions and events.

6. Obtained sufficient and appropriate proof for audit on the finances of the individual entities in Kuo Yang Construction to state our opinion on the Individual Financial Statements. We are responsible for the direction, supervision and performance of the individual audit. We remain solely responsible for the audit opinions of the Individual Financial Statements.

The CPAs' communications with the governance units include the planned scope and period of the audit and material finding in the audit (including significant defects identified in the internal control during auditing procedures).

We provided governance units with a statement assuring the personnel of our accounting firm who are subject to independent regulations had acted according to the ROC CPA Code of Professional Ethics to remain neutral and communicated with them about the all relations and other matters (including related preventive measures) that could affect the independence of the CPA.

From the matters communicated with those charged with governance, the CPA determines matters that were of most significance in the audit of the 2021 Individual Financial Statements of Kuo Yang Construction for the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Taiwan

Chun-Yuan Hsiao

CPA

Fang-Yu Wang

Former Securities and Futures Bureau, Financial Supervisory Commission
No. of Approval Document: Jin-Guan-Zheng-6 No. 0960042326
Financial Supervisory Commission
No. of Approval Document: Jin-Guan-Zheng-Shen No. 1030027246

March 21, 2021

Kuo Yang Construction Co., Ltd.
Individual Balance Sheet
December 31, 2021 and 2020

Unit: NT$1,000

	Assets	Notes	December 31, 2021 Amount		December 31, 2021 %	December 31, 2020 Amount		December 31, 2020 %
	Current assets							
1100	Cash and cash equivalents	6 (1)	$	2,082,508	13	$	4,611,385	24
1110	Current financial assets at fair value through profit or loss	6 (2)		14,803	-		20,608	-
1120	Current financial assets at fair value through other comprehensive income	6 (3)		309,592	2		378,534	2
1150	Notes receivable, net	6 (4)		50,628	-		41,072	-
1170	Accounts receivable, net	6 (4)		453,191	3		224,982	1
1200	Other receivables			280,408	2		424,171	2
1210	Other receivables - related parties	7		60,975	-		154,395	1
1220	Current income tax assets	6 (24)		11,628	-		332	-
130X	Inventories	6 (5) (6) and 8		9,111,433	56		8,807,578	46
1410	Prepayments			213,841	1		516,132	3
1476	Other financial assets - current	8		1,209	-		187,750	1
1479	Other current assets - other			37,093	-		67,428	-
11XX	**Total current assets**			2,082,508	13	$	4,611,385	24
	Non-current assets							
1517	Non-current financial assets at fair value through other comprehensive income	6 (3)		800,164	4		134,499	1
1550	Investments recognized under the equity method	6 (7)		2,584,005	14		1,520,571	9
1600	Property, plant and equipment	8		34,250	-		34,808	-
1755	Right-of-use assets	6 (8)		78,330	-		97,912	-
1760	Investment properties, net	6 (9) and 8		62,821	-		63,970	-
1840	Deferred income tax assets	6 (24)		-	-		5,784	-
1920	Refundable deposits			79,938	1		108,518	1
1980	Other financial assets - non current	8		48,334	-		48,334	-
1990	Other non-current assets - other			102,655	1		106,467	1
15XX	**Total non-current assets**			3,790,497	20		2,127,139	12
1XXX	**Total assets**		$	19,224,864	100	$	17,274,726	100

(Continued)

Kuo Yang Construction Co., Ltd.
Individual Balance Sheet
December 31, 2021 and 2020

Unit: NT$1,000

	Assets	Notes	December 31, 2021			December 31, 2020		
				Amount	%		Amount	%
	Liabilities and Equity							
	Current liabilities							
2100	Short-term borrowings	6 (10)	$	4,125,766	25	$	3,193,962	17
2110	Short-term notes and bills payable	6 (11)		954,728	6		1,318,768	7
2130	Contract liabilities - current	6 (17)		868,648	6		952,160	5
2150	Notes payable			244,653	2		58,281	-
2170	Accounts payable			369,164	2		808,296	4
2219	Other payables - other	6 (13)		212,621	1		3,434,106	18
2230	Current income tax liabilities	6 (24)		210,648	1		33,004	-
2280	Lease liabilities - current			20,523	-		20,348	-
2399	Other current liabilities - other			82,955	1		83,316	1
21XX	**Total current liabilities**			7,089,706	44		9,902,241	52
	Non-current liabilities							
2580	Lease liabilities - non-current			43,212	-		63,147	-
2645	Deposits received			2,458	-		1,613	-
2670	Other non-current liabilities - other			1,220	-		1,195	-
25XX	**Total non-current liabilities**			46,890	-		65,955	-
2XXX	**Total liabilities**			7,136,596	44		9,968,196	52
	Equity							
	Share capital	6 (13)						
3110	Capital stock - common			3,800,000	23		3,800,000	20
	Capital surplus	6 (14)						
3200	Capital surplus			627,683	4		627,683	3
	Retained earnings	6 (15)						
3310	Legal reserve			988,010	6		856,070	4
3350	Undistributed earnings			3,823,726	23		3,456,890	18
	Other equity	6 (16)						
3400	Other equity		(	10,017)	-		516,025	3(
3XXX	Total equity			9,229,402	56		9,256,668	48
	Commitment and contingencies	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		$	16,365,998	100	$	19,224,864	100

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

Chairman: Tzu-Kuan Lin　　Manager: Shao-Ling Peng　　Accounting Manager: Cheng-I Wang

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

Unit: NT$1,000
(except earnings per share which is expressed in NT$)

	Item	Notes	2021 Amount	2021 %	2020 Amount	2020 %
4000	Operating revenue	6 (17)	$ 4,527,439	100	$ 13,789,342	100
5000	Operating costs	6 (22) (23)	(3,317,388)	(73)	(8,155,708)	(59)
5900	Operating profit		1,210,051	27	5,633,634	41
	Operating expenses	6 (22) (23)				
6100	Promotion expenses		(123,520)	(3)	(149,249)	(1)
6200	Administrative expenses		(229,471)	(5)	(289,919)	(3)
6000	Total operating expenses		(352,991)	(8)	(439,168)	(4)
6900	Operating profit		857,060	19	5,194,466	37
	Non-operating income and expenses					
7100	Interest income	6 (18)	6,273	-	54,577	-
7010	Other income	6 (19)	43,781	1	59,362	1
7020	Other profits and losses	6 (20)	(11,956)	-	743	-
7050	Finance costs	6 (21)	(32,084)	(1)	(41,767)	-)
7070	Share of profit or loss of subsidiaries, affiliates, and joint ventures recognized under the equity method	6 (7)	293,759	7	(107,719)	(1
7000	Total non-operating income and expenses		299,773	7	(34,804)	-)
7900	**Pre-tax profit**		1,156,833	26	5,159,662	37
7950	Income tax expenses	6 (24)	(174,682)	(4)	(216,523)	(1)
8200	**Net profit of the term**		$ 982,151	22	$ 4,943,139	36
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Remeasurements of defined benefit plan	6 (12)	$ -	-	$ 578	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		(232,204)	(5)	445,523	3
8330	Share of other comprehensive profit or loss of subsidiaries, affiliates, and joint ventures recognized under the equity method - components that will not be reclassified to profit or loss		(17,131)	(1)	(8,697)	-
8310	Total components of other comprehensive income that will not be reclassified to profit or loss		(249,335)	(6)	437,404	3
	Components that may be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		(113)	-	(156)	-
8380	Share of other comprehensive profit or loss of subsidiaries, affiliates, and joint ventures recognized under the equity method - components that may be reclassified to profit or loss		31	-	6	-
8360	Total components that may be reclassified to profit or loss		(82)	-	(150)	-
8500	**Total comprehensive income**		$ 732,734	16	$ 5,380,393	39
	Basic earnings per share	6 (25)				
9750	Basic earnings per share		$ 2.58		$ 7.58	
	Diluted earnings per share	6 (25)				
9850	Diluted earnings per share		$ 2.58		$ 7.57	

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

Chairman: Tzu-Kuan Lin Manager: Shao-Ling Peng Accounting Manager: Cheng-I Wang

Kuo Yang Construction Co., Ltd.
Individual Statements of Changes in Equity
January 1 to December 31, 2021 and 2020

Unit: NT$1,000

					Retained earnings		Other equity		
		Notes	Capital stock - common	Capital surplus	Legal reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
2020									
Balance as at January 1, 2020	$ 6,965,825	$ 627,683	$ 372,395	$ 130,048	$ 22,266	$ 73,244	$ 8,191,461	$ 25,998	$ 8,217,459
Net profit of the term	-	-	-	4,943,139	-	-	4,943,139	(72)	4,943,067
Other comprehensive income for6 (16) the period	-	-	-	578	(150)	436,826	437,254	-	437,254
Total comprehensive income	-	-	-	4,943,717	(150)	436,826	5,380,393	(72)	5,380,321
Earnings appropriation and6 (15) distribution:									
Allocation to legal reserve	-	-	483,675	(483,675)	-	-	-	-	-
Cash dividends	-	-	-	(1,149,361)	-	-	(1,149,361)	-	(1,149,361)
Changes in non-controlling interests for the period	-	-	-	-	-	-	-	8,000	8,000
Cash refunded in capital reduction 6(13)	(3,165,825)	-	-	-	-	-	(3,165,825)	-	(3,165,825)
Disposal of equity instruments in other comprehensive income measured at fair value through profit and loss	-	-	-	16,161	-	(16,161)	-	-	-
Balance at December 31, 2020	$ 3,800,000	$ 627,683	$ 856,070	$ 3,456,890	$ 22,116	$ 493,909	$ 9,256,668	$ 33,926	$ 9,290,594
2021									
Balance as at January 1, 2020	$ 3,800,000	$ 627,683	$ 856,070	$ 3,456,890	$ 22,116	$ 493,909	$ 9,256,668	$ 33,926	$ 9,290,594
Net profit of the term	-	-	-	982,151	-	-	982,151	(14)	982,137
Other comprehensive income for6 (16) the period	-	-	-	-	(82)	(249,335)	(249,417)	-	(249,417
Total comprehensive income	-	-	-	982,151	(82)	(249,335)	732,734	(14)	732,720
Earnings appropriation and6 (15) distribution:									
Allocation to legal reserve	-	-	131,940	(131,940)	-	-	-	-	-
Cash dividends	-	-	-	(760,000)	-	-	(760,000)	-	(760,000)
Disposal of equity instruments in6 (3) other comprehensive income measured at fair value through profit and loss	-	-	-	276,625	-	(276,625)	-	-	-
Balance at December 31, 2021	$ 3,800,000	$ 627,683	$ 988,010	$ 3,823,726	$ 22,034	($ 32,051)	$ 9,229,402	$ 33,912	$ 9,263,314

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

Chairman: Tzu-Kuan Lin　　Manager: Shao-Ling Peng　　Accounting Manager: Cheng-I Wang

Kuo Yang Construction Co., Ltd.
Individual Cash Flow Statement
January 1 to December 31, 2021 and 2020

Unit: NT$1,000

	Notes	2021	2020
Cash Flows from Operating Activities			
Net profit before tax of the current period			
Adjustments		$ 1,156,833	$ 5,159,662
Adjustments to reconcile profit (loss)			
Depreciation	6 (22)		
Amortization	6 (22)	24,523	24,142
Interest expenses	6 (21)	234	178
Interest income	6 (19)	32,084	41,767
Dividend income	6 (19)	(6,273)	(54,577)
Share of profit (loss) of affiliates and joint ventures recognized under the equity method	6 (7)	(26,209)	(40,055)
Net gains on financial assets at fair value through profit or loss	6 (20)	(293,759)	107,719
Gains on disposal of investments	6 (20)	(703)	(555)
Changes in operating assets and liabilities		-	(358)
Changes in operating assets			
Notes receivable, net			
Accounts receivable, net		(9,556)	20,676
Other receivables		(228,209)	(209,174)
Other receivables - related parties		143,763	(72,205)
Inventories		93,419	9,798
Prepayments		(241,065)	3,917,914
Other current assets		289,300	(241,295)
Intangible assets		216,876	113,272
Net defined benefit assets		(245)	(177)
Other non-current assets		-	6,854
Changes in operating liabilities		48,282	3,810
Contract liabilities			
Notes payable		(83,512)	(35,142)
Other payables		186,372	(570)
Accounts payable		(34,478)	195,787
Other current liabilities		(439,132)	342,144
Cash inflow generated from operations		(361)	59,475
Interest received		828,184	9,349,090
Interest paid		6,273	54,577
Income tax collected		(116,031)	(129,617)
Dividends received		90,369	40,055
Income tax paid		(9,079)	(183,141)
Net cash inflow from operating activities		799,716	9,130,964
Cash Flows from Investing Activities			
Acquisition of current financial assets at fair value through profit or loss		(25,000)	(10,000)
Disposal of current financial assets at fair value through profit or loss		31,508	15,358
Acquisition of current financial assets at fair value through other comprehensive income		(397,605)	(851,638)
Disposal of current financial assets at fair value through other comprehensive income		521,651	528,140
Acquisition of payments for investments recognized under the equity method - subsidiaries	7	-	(700,000)
Acquisition of payments for investments recognized under the equity method - affiliates	7	(22,456)	(480,000)
Acquisition of property, plant and equipment		-	(2,853)
Increase (decrease) in refundable deposits		(59,715)	28,580
Acquisition of non-current financial assets at fair value through other comprehensive income		-	(183,765)
Net cash used in investing activities		48,383	(1,656,178)
Cash Flows from Financing Activities			
Increase (decrease) in short-term borrowings	6 (26)	931,804	(2,135,752)
Decrease in short-term notes and bills payable	6 (26)	(364,040)	(711,356)
Increase (decrease) in repayments of lease liabilities	6 (26)	(19,760)	(19,362)
Deposits received	6 (26)	845	(1,647)
Cash dividends paid	6 (15) (26)	(760,000)	(1,149,361)
Cash refunded in capital reduction	6(13)	(3,165,825)	-
Net cash outflow from financing activities		(3,376,976)	(4,017,478)
Increase (decrease) in cash and cash equivalents for the current period		(2,528,877)	3,457,308
Cash and cash equivalents at beginning of period		4,611,385	1,154,077
Cash and cash equivalents at end of period		$ 2,082,508	$ 4,611,385

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

Chairman: Tzu-Kuan Lin   Manager: Shao-Ling Peng   Accounting Manager: Cheng-I Wang

Attachment 4

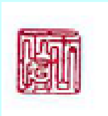
Kuo Yang Construction Co., Ltd.
Earnings Distribution Statement
2021

Unit: NT$

Item	Amount
Opening undistributed earnings	3,058,887,231
Plus: After-tax net profit of the current period	982,151,215
Disposal of equity instruments in other comprehensive income measured at fair value through profit and loss	276,625,602
	4,317,664,048
Minus: 10% legal reserve	
Amount allocated in the first three quarters of 2021 (Note 2)	(113,938,058)
Amount allocated in the fourth quarter of 2021	(11,939,624)
Minus: Provision for special surplus reserve	(10,016,915)
Distributable earnings	4,181,769,451
Distribution items:	
Shareholder dividends – cash	
Amount distributed from earnings from the first three quarters of 2021 (Note 2)	(380,000,000)
Amount from earnings from the fourth quarter of 2021 to be distributed	0
Shareholder dividends - stocks	0
Closing undistributed earnings	3,801,769,451

Note 1: The net profit for the 2021 was NT$982,151,215, with a net profit of NT$338,179,493 in the first quarter, NT$531,944,164 in the second quarter, a net loss of NT$(25,577,082) in the third quarter and a net profit of NT$137,604,640 in the fourth quarter.

Note 2: The Company has allocated NT$48,030,378 and NT$65,907,680 to the legal reserve from the mid-term distribution of earnings in the second and third quarters of 2021, respectively. The Company resolved to distribute cash dividends totaling NT$190,000,000 and NT$190,000,000. The 2020 earnings are prioritized for distribution.

Chairman:  Manager:  Accounting Manager: 

Attachment 5

Kuo Yang Construction Co., Ltd.

Table of Comparison of Revised Articles of the Articles of Incorporation

	After Amendment	Before Amendment	Description
Article 13	When the Company convenes a shareholders' meeting, the voting right at such a meeting should be exercised in writing or by way of electronic transmission. If a shareholder is unable to attend the shareholders' meeting in person, a proxy may be appointed in accordance with Article 177 of the Company Act by presenting a proxy form printed in the Company's prescribed format on which the scope of delegated authority is specified.	When the Company convenes a shareholders' meeting, the voting right at such a meeting may be exercised in writing or by way of electronic transmission. If a shareholder is unable to attend the shareholders' meeting in person, a proxy may be appointed in accordance with Article 177 of the Company Act by presenting a proxy form printed in the Company's prescribed format on which the scope of delegated authority is specified.	Two methods of exercising voting rights are provided in accordance with regulations.
Article 29-1	In the event of surplus earnings after closing of annual accounts, due taxes shall be paid in accordance with the law, and losses incurred in previous years shall be compensated. Upon completion of the preceding actions, 10% of the remainder surplus shall be allocated as legal reserve. However, in the event that the accumulated legal reserve is equivalent to or exceeds the Company's total paid-in capital, such allocation may be exempted. In addition, the Board of Directors may, after allocating or reversing special reserve pursuant to the laws or regulations of the competent authority, retain parts of the earnings and prepare an earnings distribution proposal along with undistributed earnings at the beginning of the period. Where the Company intends to distribute dividends, bonuses, legal surplus reserve, or capital reserve by issuing new shares, it shall be processed in accordance with Article 240 of the Company Act and distributed based on a resolution of the shareholders' meeting. Where dividends are distributed in cash, the Board of Directors shall be authorized to determine such distribution by a resolution adopted by a majority vote at a meeting attended by over two thirds of the Directors and it shall be reported at the shareholders' meeting.	In the event of surplus earnings after closing of annual accounts, due taxes shall be paid in accordance with the law, and losses incurred in previous years shall be compensated. Upon completion of the preceding actions, 10% of the remainder surplus shall be allocated as legal reserve. However, in the event that the accumulated legal reserve is equivalent to or exceeds the Company's total paid-in capital, such allocation may be exempted. In addition, the Board of Directors may, after allocating or reversing special reserve pursuant to the laws or regulations of the competent authority, retain parts of the earnings and prepare an earnings distribution proposal along with undistributed earnings at the beginning of the period. Where the Company intends to distribute dividends, bonuses, legal surplus reserve, or capital reserve by issuing new shares, it shall be processed in accordance with Article 240 of the Company Act and distributed based on a resolution of the shareholders' meeting. Where dividends are distributed in cash, the Board of Directors shall be authorized to determine such distribution by a resolution adopted by a majority vote at a meeting attended by over two thirds of the Directors and it shall be reported at the shareholders' meeting. The Company may proceed with the	I. This provision is adjusted in accordance with the Company's business operations. The Company does not proceed with the distribution of earnings of making up for losses at the end of each quarter. The regulations in Paragraph 3 are redundant and therefore deleted. II. The original Paragraph 4 is moved to Paragraph 3.

	The Company's industry is a stable and mature industry. The dividend policy should account for the financial structure, earnings, and long-term business plans to meet the development and transformation needs. The ratio of stock dividends to cash dividends shall be determined each year based on the requirements for working capital, provided that the cash dividends shall not be less than 20%. When the paid-in capital has reached NT$10 billion, the cash dividends shall not be less than 50%.	distribution of earnings of making up for losses at the end of each quarter in accordance with the Company Act. Before distributing earnings, the Company shall estimate and retain payable taxes, make up for losses, and allocate funds to legal reserve. However, the allocation of legal reserve does not apply when the Company's legal surplus reserve has reached its paid-in capital. Where the earnings are distributed in cash, they shall be processed in accordance with a resolution of the meeting of the Board of Directors and reported in the shareholders' meeting. Where the Company intends to distribute dividends by issuing new shares, it shall be processed in accordance with Article 240 of the Company Act based on a resolution of the shareholders' meeting. The Company's industry is a stable and mature industry. The dividend policy should account for the financial structure, earnings, and long-term business plans to meet the development and transformation needs. The ratio of stock dividends to cash dividends shall be determined each year based on the requirements for working capital, provided that the cash dividends shall not be less than 20%. When the paid-in capital has reached NT$10 billion, the cash dividends shall not be less than 50%.	
Article 32	The Articles of Incorporation were established on May 18, 1972. The 1st amendment was on March 31, 1974. The 2nd amendment was on September 17, 1975. The 3rd ~36th.(skip). The 37th amendment was on June 18, 2019. The 38th amendment was on June 10, 2020. The 39rd amendment was on June 17, 2022.	The Articles of Incorporation were established on May 18, 1972. The 1st amendment was on March 31, 1974. The 2nd amendment was on September 17, 1975. The 3rd ~36th(skip). The 37th amendment was on June 18, 2019. The 38th amendment was on June 10, 2020.	Number of amendments and dates.

Attachment 6

Kuo Yang Construction Co., Ltd.

Table of Comparison of Revised Articles of the Procedure for the Acquisition or Disposal of Assets

Article	After Amendment	Current Articles	Description
Article 4	Qualifications of external experts and matters of note for audits: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. II. May not be a related party or de facto related party of any party to the transaction. III. If the Company is required to obtain appraisal reports from two or more professional	Qualifications of external experts and matters of note for audits: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. II. May not be a related party or de facto related party of any party to the transaction. III. If the Company is required to obtain appraisal reports from two or more professional	I. To clarify the compliance procedures and responsibilities of external experts, the competent authority specified that professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters must submit appraisal reports and opinions. In addition to the related requirements for underwriting and execution of cases, they must also follow the self-regulatory standards of their respective trade associations. Wording in Paragraph 2 is thus revised.

<table>
<tr><th>Article</th><th>After Amendment</th><th>Current Articles</th><th>Description</th></tr>
<tr><td></td><td>appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding Paragraph shall comply with <u>the self-regulatory standards of their respective trade associations and the following</u>:
I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
II. When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case's working papers.
III. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found</td><td>appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding Paragraph <u>shall comply with the following</u>:
(I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
(II) When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case's working papers.
(III) They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy</u>, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
(IV) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found</td><td>II. As the work performed by experts in the issuance of appraisal reports or opinions on reasonableness does not constitute auditing of financial reports, the original wording of "examine" in Subparagraph 2 of Paragraph 2 is changed to "execution".
III. To meet the actual evaluation conditions such as the source of data and parameters used by the experts, the "comprehensiveness, accuracy" in Paragraph 2, Subparagraph 3 is changed to "appropriateness".
IV. Revised wording in Paragraph 2, Subparagraph 4</td></tr>
</table>

Article	After Amendment	Current Articles	Description
	that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.	that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.	based on amendment in Subparagraph 3.
Article 5	Approval for the acquisition of assets: I. Long-term investments in securities acquired for business expansion or other investment reasons shall be processed in accordance with the Table of Authority Delegation. The acquisition of short-term investments in securities shall be processed in accordance with the "Investment Management Regulations" and the "Investment Review Guidelines". II. The acquisition of real property and right-of-use assets thereof for business purposes and non-business purposes necessary for business operations shall be processed in accordance with the Table of Authority Delegation. III. Other fixed assets acquired for business purposes shall be submitted for approval in accordance with the able of Authority Delegation and purchased by the procurement unit via price negotiation or price comparison.	Procedures for the acquisition of assets: I. Long-term and short-term investments in securities acquired for business expansion or other investment reasons shall be approved in accordance with the Table of Authority Delegation and submitted to the Board of Directors for discussion or ratification. II. Acquisition of real property and right-of-use assets thereof for business purposes and non-business purposes shall be approved in accordance with the Table of Authority Delegation and submitted to the Board of Directors for discussion or ratification. III. Other fixed assets acquired for business purposes shall be submitted for approval in accordance with the able of Authority Delegation and purchased by the procurement unit via price negotiation or price comparison.	Adjusted according to actual operations: I. Long-term and short-term investments in securities acquired for business expansion or other investment reasons are different in nature and the former shall be processed in accordance with the Table of Authority Delegation; the latter shall be processed in accordance with the "Investment Management Regulations" and the "Investment Review Guidelines". Wording in Subparagraph 1 is thus revised to facilitate actual operations. II. Acquisition of real property and right-of-use assets thereof for business purposes and non-business purposes shall be processed in

Article	After Amendment	Current Articles	Description
			accordance with the Table of Authority Delegation. Wording in Subparagraph 2 is thus revised to ensure compliance.
Article 6	Approval for the disposal of assets: I. The disposal of long-term investments in securities shall be processed in accordance with the Table of Authority Delegation. The disposal of short-term investments in securities shall be processed in accordance with the "Investment Management Regulations" and the "Investment Review Guidelines". II. The disposal of real property and right-of-use assets thereof for business purposes and non-business purposes shall be processed in accordance with the Table of Authority Delegation. III. Other fixed assets that are no longer fit for use or are idle shall be submitted for approval in accordance with the able of Authority Delegation and sold by the procurement unit via price negotiation or price comparison.	Procedures for the disposal of assets: I. The disposal of long-term and short-term investments in securities shall be approved in accordance with the Table of Authority Delegation and submitted to the Board of Directors for discussion or ratification. II. The disposal of real property and right-of-use assets thereof for business purposes or non-business purposes shall be approved in accordance with the Table of Authority Delegation and submitted to the Board of Directors for discussion or ratification. III. Other fixed assets that are no longer fit for use or are idle shall be submitted for approval in accordance with the able of Authority Delegation and sold by the procurement unit via price negotiation or price comparison.	Adjusted according to actual operations. Wording in Subparagraph 1 and Subparagraph 2 is revised in accordance with the approval requirement for the disposal of assets in this Article. The reasons for these amendments are the same as those for Article 5.
Article 7	Procedures for determining the transaction conditions and operating procedures for evaluations:	Procedures for determining the transaction conditions and operating procedures for evaluations:	I. To clarify the compliance procedures and responsibilities of

Article	After Amendment	Current Articles	Description
	II. The Company shall appoint an objective, impartial, and independent expert to issue a report on the acquisition or disposal of assets based on the asset category: (I) Acquisition or disposal of real property, equipment or right-of-use assets thereof: In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by at least half of all members of the Audit Committee and submitted to the Board of Directors for approval; the regulations in Article 14 shall apply mutatis mutandis to the approval requirements and any future changes to the	II. The Company shall appoint an objective, impartial, and independent expert to issue a report on the acquisition or disposal of assets based on the asset category: (I) Acquisition or disposal of real property, equipment or right-of-use assets thereof: In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by at least half of all members of the Audit Committee and submitted to the Board of Directors for approval; the regulations in Article 14 shall apply mutatis mutandis to the approval requirements and any future changes to the	external experts, the competent authority specified that professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters must submit appraisal reports and opinions. In addition to the related requirements for underwriting and execution of cases, they must also follow the self-regulatory standards of their respective trade associations. The competent authority also removed the wording regarding the CPAs' compliance with the Statement of Auditing Standards. Wording in Subparagraph 2, Item 1, Sub-item 3 is thus revised.

Article	After Amendment	Current Articles	Description
	transaction conditions shall also be processed in accordance with the aforementioned procedures. 2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (1) Where the discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2) Where the discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction	transaction conditions shall also be processed in accordance with the aforementioned procedures. 2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (1) Where the discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2) Where the discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction	

Article	After Amendment	Current Articles	Description
	amount. 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided that where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser as correction. 5. Except where it is necessary to set a price limit or a specific price or a special price as a reference basis for the transaction price, if the Company fails to promptly obtain an appraisal report without a legitimate reason, it shall obtain an appraisal report within two weeks of the occurrence of the fact, <u>and obtain the CPA's opinion specified Sub-item 3, Item 1 of this Subparagraph within two weeks from the date of obtaining the appraisal report.</u> (II) Acquisition or disposal of securities: The Company's acquisition or disposal of securities shall, prior to the date of occurrence of the event, require financial statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price,	amount. 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided that where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser as correction. 5. Except where it is necessary to set a price limit or a specific price or a special price as a reference basis for the transaction price, if the Company fails to promptly obtain an appraisal report without a legitimate reason, it shall obtain an appraisal report within two weeks of the occurrence of the fact, <u>and obtain the CPA's opinion specified Item 3 of this Subparagraph.</u> (II) Acquisition or disposal of securities: The Company's acquisition or disposal of securities shall, prior to the date of occurrence of the event, require financial statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price,	II. Where a construction company fails to promptly obtain an appraisal report without a legitimate reason and obtains an appraisal report within two weeks of the occurrence of the fact, if the difference between the results of the appraisal and the transaction price exceeds a certain percentage, it must obtain the CPA's opinion. Due to the requirement for business operation time, the competent authority thus relaxed the regulations to allow the construction company to obtain the aforementioned CPA's opinions within 2 weeks of obtaining the appraisal report. Wording in Subparagraph 2, Item 1, Sub-item 5 is thus revised.

Article	After Amendment	Current Articles	Description
	and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert, the CPA shall do so in accordance with the provisions of the Statement of Auditing Standards No. 20 published by the ARDF of the ROC. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	
	(III) Acquisition or disposal of memberships or intangible assets or right-of-use assets thereof: Where the Company acquires or disposes of memberships, intangible assets, or right-of-use assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.	(III) Acquisition or disposal of memberships or intangible assets or right-of-use assets thereof: Where the Company acquires or disposes of memberships, intangible assets, or right-of-use assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.	III. The second half of Subparagraph 2, Item 3 regarding the CPA's compliance with Statement of Auditing Standards No. 20 is not required as they are the CPA's legal duties. The provision is therefore deleted.

Article	After Amendment	Current Articles	Description
	(IV) The calculation of the transaction amounts referred to in the three preceding Items shall be done in accordance with Article 8, Subparagraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained in accordance with these Procedures need not be counted toward the transaction amount. (V) If the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.	(IV) The calculation of the transaction amounts referred to in the three preceding Subparagraphs shall be done in accordance with Article 8, Paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained in accordance with these Procedures need not be counted toward the transaction amount. (V) If the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.	IV. Change of the wording for the Subparagraphs and Items.
Article 7	IV. Acquisition or disposal of real property or assets with related parties: (I) 1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an	III. Acquisition or disposal of real property or assets with related parties: (I) 1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an	V. Wording in Subparagraph 3, Item 1, Sub-items 1 and 2 is revised to Subparagraph.

Article	After Amendment	Current Articles	Description
	appraisal report from a professional appraiser or a CPA's opinion in accordance with the provisions in the preceding <u>Subparagraph</u>. 2. The calculation of the transaction amount shall be processed in accordance with Article 8, <u>Subparagraph</u> 2. 3. (Omitted) (II) 1. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by one half of the members of the Audit Committee and passed by the Board of Directors, and the provisions in Article 15 shall apply. (1) The purpose, necessity and anticipated benefit of the	appraisal report from a professional appraiser or a CPA's opinion in accordance with the provisions in the preceding <u>Paragraph</u>. 2. The calculation of the transaction amount referred to in the paragraph shall be made in accordance with Article 8, <u>Paragraph</u> 2. 3. (Omitted) (II) 1. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by one half of the members of the Audit Committee and passed by the Board of Directors, and the provisions in Article 15 shall apply. (1) The purpose, necessity and	VI. Wording in

Article	After Amendment	Current Articles	Description
	acquisition or disposal of assets. (2) The reason for choosing the specific related party as the trading counterparty. (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Item 3 and Item 6 of this Subparagraph. (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party. (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with Item 1 of this Subparagraph. (7) Restrictive covenants and other important stipulations associated with the transaction. 2. If the Company or a subsidiary that is not a domestic public company engages in a transaction in the preceding Sub-item and the transaction amount exceeds 10 percent of the	anticipated benefit of the acquisition or disposal of assets. (2) The reason for choosing the specific related party as the trading counterparty. (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Subparagraph 3 and Subparagraph 6 of this Paragraph. (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party. (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding Article. (7) Restrictive covenants and other important stipulations associated with the transaction.	Subparagraph 3, Item 2, Sub-item 1 (3) is revised. VII. Wording in Subparagraph 3, Item 2, Sub-item 1 (6) is revised, and the "preceding Article" is changed to "Item 1 of this Subparagraph". VIII. The competent authority added new regulations to strengthen the management of related party transactions. If a public company or a subsidiary that is not a domestic public company acquires or disposes of assets from a related party and the transaction amount reaches 10 percent or more of the public company's total assets, the public

Article	After Amendment	Current Articles	Description
	Company's total assets, the Company may not proceed to enter into a transaction contract or make a payment until the information listed in the Sub-items has been submitted to the shareholders' meeting for approval. However, this does not apply to transactions between the Company and its subsidiaries, or between its subsidiaries. 3. The calculation of the transaction amounts referred to in this Item shall be done in accordance with Article 8, Subparagraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to the shareholders' meeting, approved by at least half of all members of the Audit Committee, and approved by the Board of Directors in accordance with these Procedures need not be counted toward the transaction amount, and the provisions in Article 15 shall apply. 4. With respect to the acquisition or disposal of equipment or right-of-use assets thereof held for business use between the Company and the parent company, subsidiaries, and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued	2. The calculation of the transaction amounts referred to in the preceding Paragraph shall be done in accordance with Article 8, Subparagraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by at least half of all members of the Audit Committee, and approved by the Board of Directors in accordance with these Procedures need not be counted toward the transaction amount, and the provisions in Article 15 shall apply. 3. With respect to the acquisition or disposal of equipment or right-of-use assets thereof held for business use between the Company and the parent company, subsidiaries, and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Board of Directors may, pursuant to the regulations in the "Authorization Guidelines",	company shall submit the relevant information to the shareholders' meeting for approval before proceeding with the transaction to protect the shareholders' rights and interests. However, the requirement for a resolution of the shareholders' meeting does not apply to transactions between a public company and its parent company, or subsidiaries, or transactions between subsidiaries of a public company. Wording in Subparagraph 3, Item 2, Sub-item 2 is thus revised. IX. Sub-item 2 is moved to Sub-item 3 and wording is revised based on new provisions in Sub-item 2. X. Sub-item 3 is moved to Sub-item 4.

Article	After Amendment	Current Articles	Description
	shares or authorized capital, the Board of Directors may, pursuant to the regulations in the "Authorization Guidelines", delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting. (IV) Where the Company acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding <u>Item</u>, the Company shall also engage a CPA to re-check the appraisal and render a concrete opinion. (V) Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the provisions in <u>Items</u> 3 and 4 of this <u>Subparagraph</u> do not apply but the acquisition shall be processed in accordance with <u>Item</u> 2: (Omitted below) (VI) Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with <u>Item</u> 3 of this <u>Subparagraph</u> are uniformly lower than the transaction price, it shall be processed in accordance with Item 7. (Omitted below) 1. (Omitted)	delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting. (IV) Where the Company acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding Subparagraph, the Company shall also engage a CPA to re-check the appraisal and render a concrete opinion. (V) Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the provisions in Subparagraphs 3 and 4 of this Paragraph do not apply but the acquisition shall be processed in accordance with Subparagraph 2: (Omitted below) (VI) Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with Subparagraph 3 of this Paragraph are uniformly lower than the transaction price, it shall be processed in accordance with Subparagraph 7. (Omitted	XI. Revised wording for the Subparagraphs and Items in Item 4. XII. Revised wording for the Subparagraphs and Items in Item 5. XIII. Revised wording for the Subparagraphs and Items in Item 6, Sub-items 1(1) and 3.

Article	After Amendment	Current Articles	Description
	(1) Where undeveloped land is appraised in accordance with the means in the Item 3 of this Subparagraph, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower. (Omitted). 2. (Omitted). 3. "Completed transactions for property in an adjacent area" referred to in this Item in principle refers to property on the same or an adjacent block and within a distance of no more than 500 meters, or property close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; "within one year" refers to the year	below) 1. (Omitted) (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower. (Omitted). 2. (Omitted). 3. "Completed transactions for property in an adjacent area" referred to in Items 1 and 2 of this Subparagraph in principle refers to property on the same or an adjacent block and within a distance of no more than 500 meters, or property close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in	

Article	After Amendment	Current Articles	Description
	preceding the date of occurrence of the acquisition of the real property or right-of-use assets thereof. (VII) Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with <u>Items</u> 3 and 6 of this <u>Subparagraph</u> are both lower than the transaction price, the following steps shall be taken: 1. (Omitted) 2. (Omitted) 3. Actions taken pursuant to <u>Sub-items</u> 1 and 2 of this <u>Item</u> shall be reported to the Shareholders' Meeting, and the details of the transaction shall be disclosed in the annual report and the prospectus. 4. The Company shall also comply with the provisions of this <u>Item</u> if there is other evidence indicating that the acquisition was not an arms length transaction. V. Transactions of derivatives <u>The Company may not engage in transactions of derivatives. However, the Company's internal audit personnel shall evaluate the Company's compliance with the regulations for engaging in derivative transactions, and prepare an audit report each month. If any material violation is discovered, the internal audit personnel shall notify the Audit Committee writing.</u>	the planned transaction; "within one year" refers to the year preceding the date of occurrence of the acquisition of the real property or right-of-use assets thereof. (VII) Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with <u>Subparagraphs</u> 3 and 6 of this Paragraph are both lower than the transaction price, the following steps shall be taken: 1. (Omitted) 2. (Omitted) 3. Actions taken pursuant to <u>Items</u> 1 and 2 of this <u>Subparagraph</u> shall be reported to the Shareholders' Meeting, and the details of the transaction shall be disclosed in the annual report and the prospectus. 4. The Company shall also comply with the provisions of this <u>Subparagraph</u> if there is other evidence indicating that the acquisition was not an arms length transaction. (VIII) Transactions of derivatives (Omitted below)	XIV. (I) The Company may not engage in transactions of derivatives. Related regulations are therefore deleted and provisions in Subparagraph 4 are added. However, monthly audits shall still be required in accordance with regulations of the competent authority. (II) Change of the order of Subparagraphs.

Article	After Amendment	Current Articles	Description
	V. Merger, demerger, acquisition, or transfer of shares (omitted below) (II) The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with the expert opinion referred to in the preceding Item. (VII) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company and the merger, demerger, acquisition, or transfer of shares shall be processed in accordance with Items 3 and 6 of this Subparagraph.	(IX) Merger, demerger, acquisition, or transfer of shares (omitted below) (II) The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with the expert opinion referred to in the preceding Paragraph. 7. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company and the merger, demerger, acquisition, or transfer of shares shall be processed in accordance with Items 3 and 6 of this Subparagraph.	XV. (I) Item 9 is changed to Subparagraph 5. (II) Sub-item 2 is revised and the term "Paragraph" is changed to "Item". (III) Sub-item 7 is changed to Subparagraph 4.
Article 8	Information disclosure: I. Under any of the following circumstances, when the Company is acquiring or disposing of assets, it shall publicly announce and report the relevant information on the information reporting website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: (I) Acquisition or disposal of real property or other right-of-use assets from or to a related party, or acquisition or disposal of assets other than	Information disclosure: I. Under any of the following circumstances, when the Company is acquiring or disposing of assets, it shall publicly announce and report the relevant information on the information reporting website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: (I) Acquisition or disposal of real property or other right-of-use assets from or to a related party, or acquisition or disposal of assets other than	

Article	After Amendment	Current Articles	Description
	real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more. Provided, this may not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (II) Engaging in a merger, demerger, acquisition or transfer of shares. (III) (Deleted). (IV) Where the asset of equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: 1. If the Company's paid-in capital is less than NT$10 billion, the transaction amount reaches NT$500 million or more. 2. If the Company's paid-in capital is NT$10 billion or more, the transaction amount	real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more. Provided, this may not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (II) Engaging in a merger, demerger, acquisition or transfer of shares. (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company. (IV) Where the asset of equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: 1. If the Company's paid-in capital is less than NT$10 billion, the transaction amount reaches NT$500 million or more. 2. If the Company's paid-in capital is NT$10 billion or more, the transaction amount	I. The Company may not engage in transactions of derivatives. Provisions in Subparagraph, Item 3 are therefore deleted.

Article	After Amendment	Current Articles	Description
	reaches NT$1 billion or more. (V) The Company's acquisition or disposal in the construction business of real property or right-of-use assets thereof is for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT$500 million; if the Company's paid-in capital is NT$10 billion or more and the transaction counterparty is not a related party, then the threshold for disposing of real property from a completed construction project that it constructed itself shall be a transaction amount reaching NT$1 billion or more. (VI) Real property acquired under an arrangement engaging others to build on the Company's own land, engaging others to build on rented land, a joint construction and allocation of housing units, a joint construction and allocation of ownership percentages, or a joint construction and separate sale, the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT$500 million. (VII) Where an asset transaction other than any of those referred to in the preceding six	reaches NT$1 billion or more. (V) The Company's acquisition or disposal in the construction business of real property or right-of-use assets thereof is for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT$500 million; if the Company's paid-in capital is NT$10 billion or more and the transaction counterparty is not a related party, then the threshold for disposing of real property from a completed construction project that it constructed itself shall be a transaction amount reaching NT$1 billion or more. (VI) Real property acquired under an arrangement engaging others to build on the Company's own land, engaging others to build on rented land, a joint construction and allocation of housing units, a joint construction and allocation of ownership percentages, or a joint construction and separate sale, the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT$500 million. (VII) Where an asset transaction other than any of those referred to in the preceding six	II. Relaxed regulations on information disclosure for

Article	After Amendment	Current Articles	Description
	Items, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million. However, this shall not apply to the following circumstances: 1. Buying and selling domestic government bonds <u>or foreign government bonds with a credit rating not lower than Taiwan's sovereign credit rating</u>. 2. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds or</u> ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or resale of exchange-traded notes</u>, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 3. Purchase or sale of bonds under repurchase and resale agreements, or subscription or repurchase of money market	Subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million. However, this shall not apply to the following circumstances: 1. Trading of domestic government bonds. 2. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 3. Purchase or sale of bonds under repurchase and resale agreements, or subscription or repurchase of money market	certain transactions: (I) As the announcements and reporting of trading of domestic government bonds by public companies are now exempted, the provisions are amended accordingly. The exemption of announcements and reporting also applies to the trading of domestic government bonds or foreign government bonds with a credit rating not lower than Taiwan's sovereign credit rating. Wording in Subparagraph 1, Item 7, Sub-item 1 is thus revised. (II) As foreign government bonds are simple in nature and as exchange-traded notes and exchange-traded funds are similar in nature, the competent authority relaxed regulations to exempt professional investors from announcing and reporting the subscription of

Article	After Amendment	Current Articles	Description
	funds issued by domestic securities investment trust enterprises. II. The amount of transactions specified in the preceding Subparagraph shall be calculated based on the following: (Omitted below) III. "Within the preceding year" as used in the preceding Subparagraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the provisions herein need not be counted toward the transaction amount. Where, an appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article, the amount does not need to be counted toward the transaction amount. (Omitted below)	funds issued by domestic securities investment trust enterprises. II. The amount of transactions specified in the preceding Paragraph shall be calculated based on the following: (Omitted below) III. "Within the preceding year" as used in Paragraph 2 refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the provisions herein need not be counted toward the transaction amount. Where, an appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article, the amount does not need to be counted toward the transaction amount. (Omitted below)	foreign government bonds or subscription or redemption of exchange-traded notes. Wording in Subparagraph 1, Item 7, Sub-item 2 is thus revised. III. Wording for "preceding Subparagraph" in Subparagraph 2 is revised. IV. Wording for Subparagraphs and Paragraphs in Subparagraph 3 is revised.
Article 12	(Deleted).	Where the transaction counterparty is a de facto related party: Where the transaction counterparty of the Company's acquisition of real property is a de facto related party, it shall be	If the transaction counterparty of the acquisition or disposition of assets is a related party, it shall be processed in accordance

Article	After Amendment	Current Articles	Description
		reported in accordance with the regulations in the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" established by the competent authority. The Company must also prepare monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. The acquisition shall require the approval of at least half of all members of the Audit Committee, and the approval of the Board of Directors before implementation. It shall also be reported to the next shareholders' meeting. If the transaction amount reaches the threshold specified in Article 8 of the Procedures, an announcement shall be made.	with the provisions in Article 7, Paragraph 3 of the Procedures. This requirement is repeated and therefore deleted.
Article 14	Scope and amount of investment: The Company shall comply with the Procedures in the acquisition or disposal of assets. The total amount of real property for non-business use and right-of-use assets thereof or securities purchased may not exceed the total amount of the shareholders' equity; investments in individual securities may not exceed the aforementioned total amount. The total amount of real property for non-business use and right-of-use assets thereof or securities purchased by subsidiaries shall be processed in accordance with the "Procedures for the Acquisition or Disposal of Assets"	Scope and amount of investment: The Company shall comply with the Procedures in the acquisition or disposal of assets. The total amount of real property for non-business use and right-of-use assets thereof or securities purchased may not exceed the total amount of the shareholders' equity; investments in individual securities may not exceed the aforementioned total amount. The real property for non-business use and right-of-use assets thereof or securities purchased by subsidiaries may not exceed 75 percent of the shareholders' equity; investments in individual securities may not	The total amount of real property for non-business use and right-of-use assets thereof or securities purchased by subsidiaries is adjusted according to actual operations and shall be processed in accordance with the "Procedures for the Acquisition or Disposal of Assets" of the subsidiaries. Wording in Paragraph 2 is thus revised to meet actual requirements.

Article	After Amendment	Current Articles	Description
	of the subsidiaries.	exceed 50 percent of the shareholders' equity. The purchase of real property or securities by subsidiaries whose main business is the investment in securities shall not exceed 150 percent of the shareholders' equity; investments in individual securities may not exceed 50 percent of the shareholders' equity.	
Article 16	(Deleted)	The Procedures were implemented on January 1, 2019.	The establishment and amendment history of the Procedures were expressed before the provisions of this Article and this Article is therefore deleted.

Appendix 1

Kuo Yang Construction Co., Ltd.

Rules of Procedure for Shareholders' Meetings

I. The shareholder' meetings of Kuo Yang Construction Co., Ltd. shall be conducted in accordance with these Rules and Procedures, unless otherwise specified by law or the Articles of Incorporation.

II. The Company shall provide an attendance log to record attendance of shareholders in attendance; alternatively, the shareholders in attendance may also submit attendance cards to register their attendance at the meeting.

The number of shares represented during the meeting is calculated based on the total amount registered in the attendance log or the attendance cards collected, plus the number of shares where voting rights are exercised through electronic means.

III. Shareholder attendance and votes are calculated by the number of shares represented during the meeting.

IV. The shareholders' meeting shall be held at locations that are suitable and convenient for shareholders to attend. The meeting shall not begin earlier than 9 a.m. or later than 3 p.m.

V. Shareholders' meetings that are convened by the Board of Directors shall be chaired by the Chairman. If the Chairman is unable to perform such duties due to leave of absence or any other reason, the Vice Chairman shall act on the Chairman's behalf. If the Vice Chairman is unavailable or if the Vice Chairman is also unable to perform such duties due to leave of absence or any other reason, the Chairman may appoint a Managing Director to act on behalf of the Chairman. If the Company does not have a Managing Director, one of the Directors shall be appointed to act on the Chairman's behalf. If no such designation is made by the Chairman, the Managing Directors or Directors shall select one person from among themselves to serve as chair.

If the shareholders' meeting is convened by an authorized party other than the Board of Directors, the said person shall chair the meeting. If more than one person has the right to convene the meeting, one shall be elected to chair the meeting.

If the chair violates the rules of procedure and adjourns the shareholders' meeting, one person may be elected chair with the consent of one half of the votes represented by shareholders in attendance to resume the meeting.

VI. The Company may designate retained lawyers, certified public accountants, or relevant personnel to attend the shareholders' meeting.

Organizers of the shareholders' meeting must wear proper identification or arm badges.

VII. The audio or video of the process of the shareholders' meeting shall be recorded and shall be retained for at least one year.

VIII. The chair 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 chair may postpone the time for the meeting. The postponements shall be limited to two times and the meeting shall not be postponed for longer than one hour in aggregate. If no quorum can yet be constituted after two postponements, 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 Article 175, Paragraph 1 of the Company Act.

If the number of shares represented during the meeting accumulates to more than half of all outstanding shares before the meeting ends, the chair may re-propose any tentative resolution for final voting, according to Article 174 of the Company Act.

IX. The agenda of the meeting shall be set by the Board of Directors if the meeting is convened by the Board of Directors. Unless otherwise resolved at the meeting, the meeting shall proceed in accordance with the agenda.

The above rule also applies if the shareholders' meeting is convened by any authorized party other than the Board of Directors.

Unless otherwise resolved at the meeting, the chair cannot announce adjournment of the meeting before all the discussion items (including extraordinary motions) listed in the agenda are resolved.

The shareholders may not designate any other person as chair and continue the meeting in the same or another place after the meeting is adjourned.

X. When a shareholder present at the shareholders' meeting wishes to speak, a speech note should be filled out with a summary of the speech, the shareholder's number (or the number of attendance card), and the name of the shareholder. The sequence of speeches by shareholders shall be decided by the chair.

Shareholders who submit an opinion slip without actually speaking are considered to have remained silent. If the shareholder's actual comments differ from those stated on the opinion slip, only the actual comments spoken shall be recorded.

While a shareholder is speaking, other shareholders shall not speak simultaneously or interfere in any way, unless agreed upon by the chair and the person speaking. Any violators shall be stopped by the chair.

XI. Unless otherwise permitted by the chair, each shareholder shall not speak more than two times for each discussion item (each time cannot exceed 5 minutes).

In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chair may stop the speech.

XII. If the corporate shareholder is attending as proxy, only one representative shall be appointed to attend the shareholders' meeting.

Where a corporate shareholder has appointed two or more representatives to attend the shareholders' meeting, only one representative may speak per agenda item.

XIII. After the speech of a shareholder, the chair may respond on one's own or appoint an appropriate person to respond.

XIV. The chair may announce the end of the discussion of any resolution and proceed with voting if the chair deems it appropriate.

XV. The ballot examiner and ballot counter during polls shall be designated by the chair. The ballot examiner must be a shareholder of the Company. The results of votes shall be announced on-site immediately and recorded.

XVI. During the meeting, the chair may set time for intermission.

XVII. Unless otherwise regulated by the Company Act or the Articles of Incorporation, an agenda item is passed when supported by shareholders who represent more than half of the total voting rights. At the time of a vote, the shareholders shall vote on each proposal and the results of shareholders' agreement, objection, and abstention shall be input on the Market Observation Post System on the same day of the shareholders' meeting.

XVIII. If there is amendment to or substitution for a discussion item, the chair shall decide the sequence of voting for the discussion item, the amendment, or the substitute. If any resolution is passed, all other proposals shall be deemed rejected, and no further voting is necessary.

XIX. The chair may instruct marshals (security personnel) to help maintain order in the meeting. The chair may direct the disciplinary officers or the

security guard to assist in keeping order in the meeting place.
While maintaining order in the meeting, all marshals (or security personnel) must wear arm bands which identify their roles.

Appendix 2

Kuo Yang Construction Co., Ltd. Articles of Incorporation

Chapter 1. General Provisions

Article 1. This Company has been established pursuant to the provisions of the Company Act governing limited liability companies and is named Kuo Yang Construction Co., Ltd.

Article 2. The Company operates the businesses specified below:

I. Commissioned construction of public housing and commercial buildings for lease or sale, appointment by the government's competent authority of industries for the development, lease, and sales of industrial zones. (except for the construction business)

II. Trading, manufacturing, and agency services for of construction materials.

III. Garden landscaping and interior design and construction. (except for the construction business) (except for architect business)

IV. Operations of hotel business.

V. Operations of restaurant business.

VI. Interior and exterior cleaning and maintenance services for buildings.

VII. Operation, control, maintenance, and management of building HVAC equipment and machines for energy use.

VIII. Investments and construction of public facilities such as markets, parks, underground malls, children's amusement parks, and parking lots in urban planning zones.

IX. Operations of bowling, badminton, tennis, table tennis, volleyball, pelota, gateball, squash courts, and golf driving ranges with five holes or less.

X. Operations of swimming pools, bathrooms, and fitness centers.

XI. H701020 Industrial factory buildings lease construction and development.

XII. H701040 Specialized field construction and development.

XIII. H701050 Public works construction and investment.

XIV. H701060 New county and community construction and investment.

XV. H703010 Factory buildings leasing.

XVI. H703020 Warehouse leasing.

XVII. H703030 Office building leasing.

XVIII. H703040 Booth leasing.

XIX. H703050 Conference room leasing.

XX. Import and export trade of the aforementioned products.

XXI. I301030 I301030 Digital information supply services.

XXII. ZZ99999 All business items that are not prohibited or restricted by law, except those within permitted scope.

Article 3. The Company is headquartered in Taipei City and may establish branch institutions in other appropriate locations as necessary. The establishment, change, or abolishment of such institutions shall be determined by resolutions of the Board of Directors.

Article 4. The public announcements made by the Company shall be published in accordance with Article 28 of the Company Act.

Article 4-1. The Company may provide guarantees to third parties in accordance with regulations.

Article 4-2. Where the Company is a shareholder of limited liability of another company, the Company may be exempted from the restriction on its investment amount.

Chapter 2. Shares

Article 5. The Company's capital is set at NT$7,000,000,000, divided into 700,000,000 shares at NT$10 par value. The Board of Directors is authorized to issue the shares in separate batches.

Article 6. The Company's stocks shall be registered. Share certificates shall be affixed with the signatures or personal seals of the director representing the Company after registration and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance thereof. The total amount of all registered shares held by all Directors must not be lower than a certain percentage of the Company's total outstanding shares. The percentage shall be prescribed in accordance with an order of the competent authority.

When issuing new shares, the Company may print the separately-issued shares on a combined basis and engage a centralized securities depository institute to safekeep the shares.

Stocks issued by the Company are not required to be printed. The Company, however, should contact the centralized securities depository institution for registration of the share certificates.

Article 7. The Company shall administer stock-related operations in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.

Article 8. (Deleted)

Article 9. Title transfer of stocks is suspended within 60 days prior to a general shareholders meeting, 30 days prior to an extraordinary shareholders' meeting, or 5 days prior to the baseline date for the issuer's distribution of dividends, bonuses, or other interests.

Chapter 3. Shareholders' Meetings

Article 10. The Company holds general and extraordinary shareholders' meetings. General meetings are to be held once every year and shall be convened within six months after the close of each fiscal year by the Board of Directors in accordance with the law. Extraordinary meetings may be convened when necessary in accordance with the law.

Article 11. The Chairman of the Board shall chair shareholders' meetings. If the Chairman is unable to attend, the Chairman may appoint one of the Directors to act on the Chairman's behalf. If no delegate is appointed by the Chairman, one shall be elected from among the Directors.

Article 12. The Company's shareholders shall have one voting right per share unless otherwise provided in laws or regulations.

Article 13. When the Company convenes a shareholders' meeting, the voting right at such a meeting may be exercised in writing or by way of electronic transmission. If a shareholder is unable to attend the shareholders' meeting in person, a proxy may be appointed in accordance with Article 177 of the Company Act by presenting a proxy form printed in the Company's prescribed format on which the scope of delegated authority is specified.

Article 14. Resolutions at shareholders meetings shall, unless otherwise provided for under 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.

Article 15. The resolutions of shareholders' meetings must be compiled into meeting minutes, which must be signed or sealed by the chair. The meeting minutes shall include the date and venue of the meeting, the chair's name, the method of resolution, and the proceedings and results of various meeting agenda items. Meeting minutes must be preserved for as long as the company exists. The sign-in books and proxy authorization forms of shareholders in attendance shall be kept for at least one year. However, if a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, the above-mentioned documents must be retained until the litigation is concluded.

The meeting minutes shall be announced in accordance with Article 183 of the Company Act within 20 days after the meeting.

Chapter 4. Board of Directors

Article 16. The Company's Board of Directors shall have five to nine Directors. The Company adopts a candidate nomination system for the election of directors; shareholders shall elect directors from among the nominees listed on the roster of director candidates in accordance with Article 198 of the Company Act.

The number of Independent Directors of the Company shall be no less than three and no less than one fifth of the total number of Directors. The Company adopts a candidate nomination system for the election of Independent Directors; shareholders shall elect Independent Directors from among the nominees listed on the roster of independent director candidates. The professional qualifications, restrictions on both shareholding and concurrent positions held, method of nomination and election, and other requirements with regard to the Independent Directors shall be processed in accordance with related laws and regulations of the competent authority.

Article 17. Directors shall serve three-year terms and are eligible for reelection. When one-third of the director seats become vacant, an extraordinary shareholders' meeting shall be called within 60 days to elect succeeding directors; each successor so elected shall hold office for the remaining term of their predecessors only.

Article 18. The Board of Directors is formed by the Directors in accordance with Article 208 of the Company Act. The Directors shall elect one person among themselves to serve as the Chairman who shall execute all matters of the Company in accordance with laws, regulations, the Articles of Incorporation, and resolutions of the shareholders' meeting and the Board of Directors.

Article 19. The Chairman shall convene and chair meetings of the Board of Directors. If the Chairman is unable to attend, the Chairman may appoint one of the Directors to act on the Chairman's behalf. If no delegate is appointed by the Chairman, one shall be elected from among the directors.

Article 20. Board meetings must be convened in accordance with regulations of the Company Act. If a Director is unable to attend a meeting, he/she may appoint a proxy to attend the meeting on his/her behalf. However, a Director may be made proxy for only one other Director. Unless otherwise stipulated in regulations, resolutions shall be adopted only if more than half of the Directors present vote in favor of the resolution.

If a meeting of the Board of Directors is held by video conference, all Directors attending the video conference shall be deemed to have attended the meeting in person.

Article 20-1. Directors shall be notified of board meetings seven days prior to the meeting with the reason indicated. However, a board meeting may be called at any time in the event of an emergency.

Such notifications may be delivered in written format, by fax, or electronically.

Article 21. The powers of the Board of Directors are as follows:

I. Matters prescribed in Article 14-3 of the Securities and Exchange Act.

II. Matters prescribed in Article 12 of the Rules of Procedure for the Board of Directors' Meetings.

The Board of Directors is authorized to determine the remuneration paid to Directors based on their participation in the Company's operations, the value of their contributions, and prevailing rates in the industry.

Chapter 5. Audit Committee

Article 22. Deleted

Article 23. Deleted

Article 24. Deleted

Article 25. The Company has established an Audit Committee which is composed of all the Independent Directors in accordance with Article 14-4 of the Securities and Exchange Act. The duties of the Audit Committee and other matters for compliance shall be processed in accordance with related regulations and the Company's bylaws.

Chapter 6. Manager

Article 26. The Company may appoint a manager whose appointment, dismissal, and remuneration shall be made in compliance with Article 29 of the Company Act.

Article 27. The Company's level 1 supervisors shall be nominated by the President and appointed or dismissed by the Board of Directors. Other employees shall be appointed or dismissed by the President in accordance with human resources management rules.

Chapter 7. Accounting

Article 28. The Company's fiscal year begins on January 1 and ends on December 31 each year. The final accounts shall be prepared at the end of each fiscal year. The Board of Directors shall prepare the following documents which shall be submitted to the general shareholders' meeting for ratification in accordance with legal procedures.

I. Business Report
II. Financial Statements
III. Distribution of earnings or loss offsetting proposals.

Article 29.

In the event of profit in the year, the Company shall appropriate 0.5% to 5% of the pre-tax earnings (excluding remuneration for Directors and employees) as remuneration for employees and no more than 5% as remuneration for Directors. However, in the event the Company has sustained cumulative losses, a proportion of profit shall be reserved in advance to make up for losses.

The remuneration for employees in the preceding paragraph may be paid in stock or cash based on a resolution of the Board of Directors, and may be paid to employees of subsidiaries who meet the certain requirements.

The distribution of remuneration for employees and Directors shall be resolved by a majority vote at a board meeting attended by more than two thirds of the Directors and it shall be reported at the shareholders' meeting.

Article 29-1. In the event of surplus earnings after closing of annual accounts, due taxes shall be paid in accordance with the law, and losses incurred in previous years shall be compensated. Upon completion of the preceding actions, 10% of the remainder surplus shall be allocated as legal reserve. However, in the event that the accumulated legal reserve is equivalent to or exceeds the Company's total paid-in capital, such allocation may be exempted. In addition, the Board of Directors may, after allocating or reversing special reserve pursuant to the laws or regulations of the competent authority, retain parts of the earnings and prepare an earnings distribution proposal along with undistributed earnings at the beginning of the period.

Where the Company intends to distribute dividends, bonuses, legal surplus reserve, or capital reserve by issuing new shares, it shall be processed in accordance with Article 240 of the Company Act and distributed based on a resolution of the shareholders' meeting. Where dividends are distributed in cash, the Board of Directors shall be authorized to determine such distribution by a resolution adopted by a majority vote at a meeting attended by over two thirds of the Directors and it shall be reported at the shareholders' meeting.

The Company may proceed with the distribution of earnings of making up for losses at the end of each quarter in accordance with the Company Act. Before distributing earnings, the Company shall estimate and retain payable taxes, make up for losses, and allocate funds to legal reserve. However, the allocation of legal reserve does not apply when the Company's legal surplus reserve has reached its paid-in capital. Where the earnings are distributed in cash, they shall be processed in accordance with a resolution of the meeting of the Board of Directors and reported in the shareholders' meeting. Where the Company intends to distribute dividends by issuing new shares, it shall be processed in accordance with Article 240 of the Company Act based on a resolution of the shareholders' meeting.

The Company's industry is a stable and mature industry. The dividend policy should account for the financial structure, earnings, and long-term business plans to meet the development and transformation needs. The ratio of stock dividends to cash dividends shall be determined each year based on the requirements for working capital, provided that the cash dividends shall not be less than 20%. When the paid-in capital has reached NT$10 billion, the cash dividends shall not be less than 50%.

Chapter 8. Supplemental Provisions

Article 30. The organizational regulations, bylaws, and enforcement rules of the Company shall be established based on resolutions of the Board of Directors.

Article 31. Any matters not addressed in the Articles of Incorporation shall be governed by the Company Act and other related regulations.

Article 32. The Articles of Incorporation were established on May 18, 1972. The 1st amendment was on March 31, 1974. The 2nd amendment was on September 17, 1975. The 3rd amendment was on October 5, 1976. The 4th amendment was on June 15, 1978. The 5th amendment was on October 18, 1978. The 6th amendment was on February 9, 1979. The 7th amendment was on February 28, 1982. The 8th amendment was on July 28, 1983. The 9th amendment was on September 20, 1988. The 10th amendment was on June 12, 1989. The 11th amendment was on June 24, 1992. The 12th amendment was on May 12, 1992. The 13th amendment was on October 1, 1992. The 14th amendment was on May 1, 1993. The 15th amendment was on April 23, 1994. The 16th amendment was on May 29, 1995. The 17th amendment was on May 25, 1996. The 18th amendment was on May 25, 1996. The 19th amendment was on April 16, 1997. The 20th amendment was on January 7, 1998.

The 21st amendment was on March 12, 1998. The 22nd amendment was on May 11, 1999. The 23rd amendment was on April 24, 2000. The 24th amendment was on June 21, 2001. The 25th amendment was on May 15, 2002. The 26th amendment was on June 19, 2003. The 27th amendment was on June 9, 2005. The 28th amendment was on June 14, 2006. The 29th amendment was on June 13, 2007. The 30th amendment was on June 13, 2008. The 31st amendment was on June 18, 2010. The 32nd amendment was on December 27, 2011. The 33rd amendment was on June 18, 2012. The 34th amendment was on June 23, 2014. The 35th amendment was on June 7, 2016. The 36th amendment was on June 8, 2017. The 37th amendment was on June 18, 2019. The 38th amendment was on June 10, 2020.

Kuo Yang Construction Co., Ltd.

Chairman: Tzu-Kuan Lin

Appendix 3

Kuo Yang Construction Co., Ltd.

Acquisition or Disposal of Assets

The Procedures were established in May 1995

The first amendment was made on September 30, 1998.

The second amendment was made on December 30, 1999.

The third amendment was made on June 19, 2003.

The fourth amendment was made on June 13, 2007.

The fifth amendment was made on June 18, 2010.

The sixth amendment was made on June 18, 2012.

The seventh amendment was made on June 23, 2014.

The eighth amendment was made on June 8, 2017.

The ninth amendment was made on March 25, 2019.

Article 1. The Company's acquisition and disposal of assets shall be processed in accordance with the Procedures.

Article 2. The term "assets" as used in these Procedures includes the following:

I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.

II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.

III. Memberships.

IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.

V. Right-of-use assets.

VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).

VII. Derivatives.

VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.

IX. Other major assets.

Article 3. Terms used the Procedures:

I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

II. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

V. Date of occurrence: As a principle, it refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of resolutions of the Board of Directors, or other date that can confirm the counterpart and monetary amount of the transaction (whichever date is earlier). However, for investments that require the approval of the competent authority, the date of occurrence shall be determined as the earlier between the above dates and the date approved by the competent authority.

VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

Article 4. Qualifications of external experts and matters of note for audits:

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.

II. May not be a related party or de facto related party of any party to the transaction.

III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding Paragraph shall comply with the following:

(I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.

(II) When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case's working papers.

(III) They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.

(IV) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 5. Procedures for the acquisition of assets:

I. Long-term and short-term investments in securities acquired for business expansion or other investment reasons shall be approved in accordance with the Table of Authority Delegation and submitted to the Board of Directors for discussion or ratification.

II. Acquisition of real property and right-of-use assets thereof for business purposes and non-business purposes shall be approved in accordance with the Table of Authority Delegation and submitted to the Board of Directors for discussion or ratification.

III. Other fixed assets acquired for business purposes shall be submitted for approval in accordance with the able of Authority Delegation and purchased by the procurement unit via price negotiation or price comparison.

Article 6. Procedures for the disposal of assets:

I. The disposal of long-term and short-term investments in securities shall be approved in accordance with the Table of Authority Delegation and submitted to the Board of Directors for discussion or ratification.

II. The disposal of real property and right-of-use assets thereof for business purposes or non-business purposes shall be approved in accordance with the Table of Authority Delegation and submitted to the Board of Directors for discussion or ratification.

III. Other fixed assets that are no longer fit for use or are idle shall be submitted for approval in accordance with the able of Authority Delegation and sold by the procurement unit via price negotiation or price comparison.

Article 7. Procedures for determining the transaction conditions and operating procedures for evaluations:

I. With regard to the acquisition or disposal of the aforementioned assets, the procedures for determining the transaction conditions, including the methods for determining prices, scope of authorization, and basis of reference, must be specified. When the processing unit signs the contract, it must file the contract to the Finance Department for management. If the transaction amount reaches the threshold specified in Article 8, it shall be processed in accordance with the regulations herein.

II. The Company shall appoint an objective, impartial, and independent expert to issue a report on the acquisition or disposal of assets based on the asset category:

(I) Acquisition or disposal of real property, equipment or right-of-use assets thereof:

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by at least half of all members of the Audit Committee and submitted to the Board of Directors for approval; the regulations in Article 14 shall apply mutatis mutandis to the approval requirements and any future changes to the transaction conditions shall also be processed in accordance with the aforementioned procedures.
2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
   (1) Where the discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
   (2) Where the discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided that where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser as correction.
5. Except where it is necessary to set a price limit or a specific price or a special price as a reference basis for the transaction price, if the Company fails to promptly obtain an appraisal report without a legitimate reason, it shall obtain an appraisal report within two weeks of the occurrence of the fact, and obtain the CPA's opinion specified Item 3 of this Subparagraph.

(II) Acquisition or disposal of securities:

The Company's acquisition or disposal of securities shall, prior to the date of occurrence of the event, require financial statements of the issuing company for the most recent period, certified or reviewed by a CPA, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert, the CPA shall do so in accordance with the provisions of the Statement of Auditing Standards No. 20 published by the ARDF of the ROC. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

(III) Acquisition or disposal of memberships or intangible assets or right-of-use assets thereof:

Where the Company acquires or disposes of memberships, intangible assets, or right-of-use assets thereof and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20

published by the ARDF.

(IV) The calculation of the transaction amounts referred to in the three preceding Subparagraphs shall be done in accordance with Article 8, Paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained in accordance with these Procedures need not be counted toward the transaction amount.

(V) If the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

III. Acquisition or disposal of real property or assets with related parties:

(I)

1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in accordance with the provisions in the preceding Paragraph.
2. The calculation of the transaction amount referred to in the paragraph shall be made in accordance with Article 8, Paragraph 2.
3. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

(II)

1. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic

securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by one half of the members of the Audit Committee and passed by the Board of Directors, and the provisions in Article 15 shall apply.

(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.

(2) The reason for choosing the specific related party as the trading counterparty.

(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Subparagraph 3 and Subparagraph 6 of this Paragraph.

(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.

(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.

(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding Article.

(7) Restrictive covenants and other important stipulations associated with the transaction.

2. The calculation of the transaction amounts referred to in the preceding Paragraph shall be done in accordance with Article 8, Subparagraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by at least half of all members of the Audit Committee, and approved by the Board of Directors in accordance with these Procedures need not be counted toward the transaction amount, and the provisions in Article 15 shall apply.

3. With respect to the acquisition or disposal of equipment or right-of-use assets thereof held for business use between the Company and the parent company, subsidiaries, and its parent or

subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Board of Directors may, pursuant to the regulations in the "Authorization Guidelines", delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting.

(III) When the Company acquires real property or right-of-use assets thereof from a related party, it shall evaluate the reasonableness of the transaction costs by the following means (where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed below):

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. Necessary interest on funding is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this may not apply where the financial institution is a related party of one of the trading counterparties.

(IV) Where the Company acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding Subparagraph, the Company shall also engage a CPA to re-check the appraisal and render a concrete opinion.

(V) Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the provisions in Subparagraphs 3 and 4 of this Paragraph do not apply but the acquisition shall be processed in accordance with

Subparagraph 2:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
4. The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

(VI) Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with Subparagraph 3 of this Paragraph are uniformly lower than the transaction price, it shall be processed in accordance with Subparagraph 7. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquires undeveloped or leased land for construction, it may submit proof in compliance with one of the following conditions:
   (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
   (2) Completed transactions by unrelated parties within the

preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

2. Where the Company is acquiring real property or obtaining real property right-of-use assets through leasing from a related party and provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.
3. "Completed transactions for property in an adjacent area" referred to in Items 1 and 2 of this Subparagraph in principle refers to property on the same or an adjacent block and within a distance of no more than 500 meters, or property close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; "within one year" refers to the year preceding the date of occurrence of the acquisition of the real property or right-of-use assets thereof.

(VII) Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Subparagraphs 3 and 6 of this Paragraph are both lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. If the Company's investor is a public company that uses the equity method to account for its investment in the Company, a special reserve shall be also set aside pro rata in a proportion consistent with such investor's shareholding in the Company in accordance with Article 41, Paragraph 1 of Securities and Exchange Act.

When the Company has set aside a special reserve under the preceding, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Securities and Futures Commission of the Ministry of Finance has given its consent.

2. The Independent Directors who are members of the Audit Committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to Items 1 and 2 of this Subparagraph shall be reported to the Shareholders’ Meeting, and the details of the transaction shall be disclosed in the annual report and the prospectus.
4. The Company shall also comply with the provisions of this Subparagraph if there is other evidence indicating that the acquisition was not an arms length transaction.

(VIII) Transactions of derivatives

1. Transaction principles and strategies: Transactions shall be processed in accordance with the Company's "Procedures for Engaging in Derivative Transactions".
2. Risk management measures:
   (1) The scope of risk management shall be processed in accordance with the Company's "Procedures for Engaging in Derivative Transactions".
   (2) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
   (3) Risk measurement, monitoring, and control personnel shall be assigned to a different department separate from the confirmation and settlement personnel, and shall report to the board of directors or other senior managers who are not engaged in decision making on transactions or trading positions.
   (4) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades

required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.

(5) Other important risk management measures.

3. The Board of Directors shall supervise and manage derivative transactions in accordance with the following principles:
   (1) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
   (2) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.
   (3) Impose penalties on personnel in violation of the Procedures or engaging in derivative transactions.
4. Senior management personnel authorized by the Board of Directors shall manage derivatives trading in accordance with the following principles:
   (1) Periodically evaluate whether the risk management measures currently employed are appropriate and are faithfully conducted in accordance with the Procedures and the procedures for engaging in derivatives trading formulated by the Company.
   (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; an independent director shall be present at the meeting and express an opinion.
5. The Company shall report to the next meeting of the Board of Directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its procedures for engaging in transactions of derivatives.
6. When the Company engages in derivatives trading, it shall establish a log book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under

Item 2, Sub-item (4), Item 3, Sub-item (2), and Item 4, Sub-item (1) of this Subparagraph shall be recorded in detail in the log book.

7. Internal audit system:

   The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing.

(IX) Merger, demerger, acquisition, or transfer of shares

1. When participating in a merger, demerger, acquisition or transfer of shares, it is advisable for the Company to engage a certified public accountant, an attorney, and a securities underwriter to jointly develop an estimated schedule for the procedures prescribed by law, and a task force shall be organized to implement the actions in accordance with these procedures.
2. Before the Company convenes a meeting of the Board of Directors to decide on the merger and acquisition, the Audit Committee shall review the fairness and reasonableness of the merger plan and transaction in accordance with the related regulations in the Securities and Exchange Act on resolutions of the Audit Committee, and the Company shall report the results of the review to the Board of Directors.
3. The requirement for an opinion of the aforesaid experts is waived if the Company merges with a subsidiary in which it holds 100 percent of its shares or total capital whether directly or indirectly, or if a merger takes place between subsidiaries in which the Company holds 100 percent of their shares or total capital, whether directly or indirectly.
4. When the Audit Committee performs the review, it shall appoint independent experts to provide assistance and opinions on the reasonableness of the share exchange ratio or distribution of cash or other property to shareholders.
5. The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to

the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with the expert opinion and results of the review of the Audit Committee referred to in the preceding Paragraph when sending shareholders notification of the shareholders' meeting for reference in deciding whether to approve the merger, demerger, or acquisition. However, where other legal provisions exempt a company from convening a General Shareholders' Meeting to approve the merger, demerger or acquisition, this restriction may not apply. Where the shareholders' meeting fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders' meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders' meeting.

6. Every person participating in or privy to the Company's plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
7. The Company may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
   (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.
   (2) An action, such as a disposal of major assets, that affects the Company's financial operations.
   (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
   (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares

from another company, buys back treasury stock.

(5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.

(6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

8. The contract for participation by a public company in a merger, demerger, acquisition, or transfer of shares shall specify the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also specify the following:

(1) Handling of breach of contract.

(2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.

(3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.

(4) The manner of handling changes in the number of participating entities or companies.

(5) Preliminary progress schedule for plan execution, and anticipated completion date.

(6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

9. After public disclosure of the information, if the Company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, it shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from

calling another shareholders meeting to resolve on the matter anew.

10. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company and the merger, demerger, acquisition, or transfer of shares shall be processed in accordance with Items 3 and 6 of this Subparagraph.

Article 8. Information disclosure:

I. Under any of the following circumstances, when the Company is acquiring or disposing of assets, it shall publicly announce and report the relevant information on the information reporting website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

(I) Acquisition or disposal of real property or other right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more. Provided, this may not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

(II) Engaging in a merger, demerger, acquisition or transfer of shares.

(III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.

(IV) Where the asset of equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:

(1) If the Company's paid-in capital is less than NT$10 billion, the transaction amount reaches NT$500 million or more.

(2) If the Company's paid-in capital is NT$10 billion or more, the transaction amount reaches NT$1 billion or more.

(V) The Company's acquisition or disposal in the construction business of real property or right-of-use assets thereof is for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT$500 million; <u>if the Company's paid-in capital is NT$10 billion or more and the transaction counterparty is not a related party, then the threshold for disposing of real property from a completed construction project that it constructed itself shall be a transaction amount reaching NT$1 billion or more.</u>

(VI) Real property acquired under an arrangement engaging others to build on the Company's own land, engaging others to build on rented land, a joint construction and allocation of housing units, a joint construction and allocation of ownership percentages, or a joint construction and separate sale, the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT$500 million.

(VII) Where an asset transaction other than any of those referred to in the preceding six Subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million. However, this shall not apply to the following circumstances:

1. Trading of domestic government bonds.
2. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
3. Purchase or sale of bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises.

II. The amount of transactions specified in the preceding Paragraph shall be calculated based on the following:

(I) The amount of any individual transaction.

(II) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.

(III) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.

(IV) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

III. "Within the preceding year" as used in Paragraph 2 refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the provisions herein need not be counted toward the transaction amount. Where, an appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article, the amount does not need to be counted toward the transaction amount.

IV. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. When the Company makes an error or omission in an item required by regulations to be publicly announced, all the items shall be properly corrected and publicly announced in entirety within 2 days upon knowledge of its error or omission.

V. When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and opinions of the certified public accountant, attorney and securities underwriter at the Company headquarters, where they shall be retained for five years, except where otherwise provided by laws and regulations.

VI. If the following situations arise after the Company has announced or reported transactions in accordance with regulations, the Company shall announce and report such matters within two days on the website specified by the competent authority:

(I) Change, termination or rescission of a contract signed in regard to the original transaction.

(II) The merger, demerger, acquisition or transfer of shares is not completed by the scheduled date set forth in the contract.

(III) Change to the originally publicly announced and reported information.

Article 9. Matters regarding the acquisition and disposal of assets by subsidiaries:

I. Subsidiary companies shall handle the acquisition or disposal of assets in compliance with Article 7. Whether expert opinions are required shall be determined by the paid-in capital of the subsidiary.

II. If the subsidiary is not a public company, the parent company shall also handle the announcement and reporting on behalf of the subsidiary if the acquired or disposed assets reach the threshold requiring public announcement and regulatory filing in accordance with Article 8 of the Procedures.

III. With regard to the threshold for announcement or reporting by subsidiaries, the "20 percent of paid-in capital or 10 percent of total assets" requirement refers to the Company's paid-in capital or total assets.

Article 10.

I. For the calculation of 10 percent of total assets under the Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

II. In the case of a company whose shares have no par value or a par value other than NT$10 for the calculation of transaction amounts of 20 percent of paid-in capital, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations regarding transaction amounts relative to paid-in capital of NT$10 billion, NT$20 billion of equity attributable to owners of the parent shall be substituted.

Article 11. Where personnel violate the provisions of the Procedures or related regulations, the Company may impose a warning, demerit, demotion, suspension, salary reduction, or other penalties based on the severity of the violation and include it in the internal review.

Article 12. Where the transaction counterparty is a de facto related party:

Where the transaction counterparty of the Company's acquisition of real property is a de facto related party, it shall be reported in accordance with the regulations in the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" established by the competent authority. The Company must also prepare monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. The acquisition shall require the approval of at least half of all members of the Audit Committee, and the approval of the Board of Directors before implementation. It shall also be reported to the next shareholders' meeting. If the transaction amount reaches the threshold specified in Article 8 of the Procedures, an announcement shall be made.

Article 13. At the time of public announcement, if the Company omits an item required by regulations to be publicly announced and is therefore required to correct it, all the items shall be publicly announced in their entirety.

Article 14. Scope and amount of investment:

The Company shall comply with the Procedures in the acquisition or disposal of assets. The total amount of real property for non-business use or securities purchased may not exceed the total amount of the shareholders' equity; investments in individual securities may not exceed the aforementioned total amount.

The real property for non-business use or securities purchased by subsidiaries may not exceed 75 percent of the shareholders' equity; investments in individual securities may not exceed 50 percent of the shareholders' equity. The purchase of real property or securities by subsidiaries whose main business is the investment in securities shall not exceed 150 percent of the shareholders' equity; investments in individual securities may not exceed 50 percent of the shareholders' equity.

Article 15. The Procedures shall be approved by at least half of all members of the Audit Committee and submitted to the Board of Directors for resolution before it is submitted to the shareholders' meeting for approval. The same shall apply to amendments.

If such proposal is not approved with the consent of at least half of all members of the Audit Committee as required in Paragraph 1, the proposal may be approved with the consent of at least two thirds of all Directors, and the resolution of the Audit Committee shall be recorded in the meeting minutes of the Board of Directors.

The terms "all members of the Audit Committee" in the Procedures and "all Directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

During the Board of Directors' discussion as mentioned in the foregoing, the Company shall take into full consideration each Independent Director's opinions and record each Independent Director's agreement or objection and reasons for objection in the meeting minutes of the Board of Directors.

Unless the subsidiary has established other regulations, the "Procedures for the Acquisition or Disposal of Assets" of subsidiaries shall be processed in accordance with these Procedures. They shall be passed by the Board of Directors of the subsidiary and ratified by the shareholders' meeting of the subsidiary; the same applies to all amendments.

Article 16. The Procedures were implemented on January 1, 2019.

Appendix 4

Statement of Shares Held by Directors of the Company

The shareholdings of all Directors of Kuo Yang Construction as recorded in the shareholder register up until the book closure date (April 19, 2022) of the shareholders' meeting:

Title	Name	Number of shares held	Related party	Name	Number of shares held by the individual
Director	Chi Chan Industries Co., Ltd.	698,880	Representative	Tzu-Kuan Lin	0
Director	Chi Chan Industries Co., Ltd.	698,880	Representative	Chia-Chi Hou	986,209
Director	Cheng Chi Co., Ltd.	23,124,570	Representative	Wei-Hsiung Tsai	0
Director	Cheng Chi Co., Ltd.	23,124,570	Representative	Chien-Ping Juan	0
Director	Cheng Chi Co., Ltd.	23,124,570	Representative	Tung-Ming Su	0
Director	Pai Ti Development Co., Ltd.	4,402,948	Representative	Pei-Kui Su	0
Independent Director	Li-Yen Yang	0			
Independent Director	Wu-Po Kuo	0			
Independent Director	Chiu-Mu Tseng	0			
Total		28,226,398			986,209

The Company's paid-in capital as of April 19, 2022 is NT$3,800,000,000 and the total number of shares issued is 380,000,000 shares.

The minimum number of shares that must be held by all Directors according to Article 26 of the Securities and Exchange Act is as follows:

Minimum number of shares that must be held by all Directors by law: 15,200,000 shares.

The number of shares held by all Directors meets the legally required percentage.

Appendix 5

Effect of free-gratis dividend proposed in the current shareholders' meeting on Company's business performance and earnings per share:

The Company did not distribute stock dividends this year and this item is therefore not applicable.

Appendix 6

Other Supplementary Matters: The Company accepts shareholders' proposals for the 2022 general shareholders' meeting but has not received any proposal from shareholders in the proposal period.