

KUO YANG CONSTRUCTION

2023 Annual Shareholders' Meeting

Meeting Agenda

June 13, 2023

Table of Contents

Meeting Proceedings	1
Agenda.....	2
Reports.....	4
Ratifications.....	6
Matters for Discussion	9
Election Matters	11
Other Matters	13
Extraordinary Motions	14

Attachments

Attachment 1: 2022 Business Report.....	16
Attachment 2: 2022 Audit Committee's Review Report.....	20
Attachment 3: 2022 Financial Statements and Independent Auditor's Report ..	21
Attachment 4: 2022 Earnings Distribution Statement.....	42
Attachment 5: Table of Comparison of Revised Articles of the Articles of Incorporation.....	43
Attachment 6: List of Director Candidates	45
Attachment 7: Status of Directors and Independent Directors Concurrently Holding Positions at Other Companies.....	48

Appendices

Appendix 1: Rules of Procedure for Shareholders' Meetings.....	49
Appendix 2: Articles of Incorporation.....	53
Appendix 3: Procedures for Election of Directors	60
Appendix 4: Statement of Shares Held by Directors of the Company.....	62
Appendix 5: Effect of free-gratis dividend proposed in the current shareholders' meeting on Company's business performance and earnings per share.....	63
Appendix 6: Other Supplementary Matters	63

Kuo Yang Construction Co., Ltd.

Proceedings for 2023 General Shareholders Meeting

- I. Call meeting to order
- II. Chairman takes seat
- III. Chairman's speech
- IV. Reports
- V. Ratifications
- VI. Matters for Discussion
- VII. Election Matters
- VIII. Other Matters
- IX. Extraordinary Motions
- X. Meeting Adjourned

Kuo Yang Construction Co., Ltd.

2023 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) 2022 Business Report.
 - (II) The Audit Committee's Audit Report on the 2022 Financial Report.
 - (III) Report on the Company's distribution of 2022 remuneration to employees and Directors.
 - (IV) Report on the Company's distribution of cash dividends from 2022 earnings.
- V. Ratifications:
 - (I) 2022 Business Report and Financial Statements.
 - (II) 2022 earnings distribution proposal.
- VI. Matters for Discussion
 - (I) Amendment of the Articles of Incorporation
- VII. Election Matters
Fully elect the company's Director
- VIII. Other Matters
Proposal for release of Directors from non-competition restrictions
- IX. Extraordinary Motions
- X. Meeting Adjourned

Reports

Reports

I. The Company's 2022 Business Report is hereby submitted for review.

Explanation: Refer to the Procedures Manual (Attachment 1) for the Company's 2022 Business Report.

II. The Audit Committee's Audit Report on the 2022 Financial Report is submitted for review.

Explanation: Refer to the Procedures Manual (Attachment 2) for the Company's 2022 Audit Report.

III. The report on the Company's distribution of 2022 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\$11,201,042 2% to employees and NT\$11,201,042 2% to Directors for 2022, all of which will be paid in cash.

IV. The report on the Company's distribution of cash dividends from 2022 earnings is submitted for review.

Explanation: On **March 14 2023**, the Board of Directors passed a resolution for the distribution of the earnings of 2023 and decided to retain all earnings instead of distribution.

Ratifications

Ratifications

Proposal 1 Proposed by the Board of Directors

Proposal: The Company's 2022 Business Report and Financial Statements are submitted for ratification.

Explanation: I. The Company's 2022 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 2022 Financial Statements.

III. The proposal is hereby submitted for ratification.

Resolution:

Proposal 2 Proposed by the Board of Directors

Proposal: The Company's 2022 earnings distribution proposal is submitted for ratification.

Explanation: I. The Company's 2022 Financial Report has been completed and the 2022 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

Proposal: The Company plans to amend the Articles of Incorporation is submitted to a referendum.

Explanation:I. The Company plans to amend the Articles of Incorporation to **In accordance with amendment of the Company Act**. Please refer to Attachment 5 for the table of comparison of revised articles.

II. The proposal is hereby submitted for approval.

Resolution:

Election Matters

Election Matters

Proposed by the Board of Directors

Proposal: General re-election of all Directors of the Company.

Explanation:

- I. The term of the current Directors will expire on June 9, 2023, and in accordance with relevant laws and regulations, a general re-election of all Directors will be held during this year's Shareholders' Meeting.
- II. Pursuant to Article 16 of the Articles of Incorporation, nine Directors will be elected, including three seats of Independent Directors. A candidate nomination system will be adopted, and the list of Director candidates has been approved by the Board of Directors' meeting convened on April 24 and May 8, 2023. Shareholders will elect from among the list of candidates. Please refer to Attachment 6 for their academic and professional background as well as other relevant information.
- III. The newly elected Directors will immediately assume office and their term of service will be three years starting from June 13, 2023 and expiring on June 12, 2026.
- IV. The proposal is hereby submitted, please proceed with the election.

Election result:

Other Matters

Other Matters

Proposed by the Board of Directors

Proposal: Proposal for lifting the non-compete clause for newly elected Directors and their representatives. Please vote on a decision.

Explanation:

- I. Pursuant to Article 209 of the Company Act, a Director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- II. The newly elected Directors of the Company (including institutional directors and its representatives) may participate in competing businesses. Without affecting the interests of the Company, the Board seeks for the approval for the Shareholders' Meeting to lift the non-compete clause. Please refer to Attachment 6 for the details.

Resolution:

Extraordinary Motions

Meeting Adjourned

Attachment 1

2022 Business Report

I. Business Plan Implementation Results

9 projects to be sold

(I) 7 projects completed

1. Kuo Yan, Smile Era, The Green Place A, The Green Place B, The Green Place C, South Manor, Kuo Yang Silicon Valley, Good morning Kuo Yang.
2. Total: 162 units and 151 vehicles
3. Sales Amount: NT\$ 2,233,440,000

(II) 2 presale projects:

1. Residential: Taipei Kuo Yang Jilin (New Jilin Urban Renewal Project).
2. Plants and offices: Taipei Kuo Yang Intercontinental Corporate Head Office (Neihu Jiuzong Section Project).

II. Budget Implementation

The Company did not prepare a financial forecast for 2022 and therefore does not prepare an analysis report.

III. Financial Expenditures and Profitability

(I) Financial Expenditures

Unit: NT\$1,000

Item	2022	2021
Operating revenue	3,954,516	5,124,284
Operating costs	(3,169,639)	(3,762,094)
Operating profit	784,877	1,362,190
Operating expenses	(505,660)	(421,957)
Operating profit	279,217	940,233
Non-operating income and expenses	274,182	225,397
Pre-tax profit	553,399	1,165,630
Income tax expenses	(67,481)	(183,493)
Net profit of the term	485,918	982,137

(II) Profitability

Item	2022	2021
Return on assets	2.99%	5.41%
Return on equity	5.15%	10.59%
Pre-tax income to paid-in capital ratio	14.56%	30.67%
Net profit margin	12.29%	19.17%
Earnings per share (NT\$)	1.28	2.58

IV. Research and Development

1. Acquired building permit and projects being constructed in 2022:
 - (1) North:
 - a. Residential: Taipei "Kuo Yang Jilin" (New Jilin Urban Renewal Project).
 - b. Plants and offices: Taipei "Kuo Yang Intercontinental Corporate Head Office" (Neihu Jiuzong Section Project)
 - (2) South:
 - a. Residential: Tainan "The Green World" (The Green Place Phase 4).
2. Building permit expected to be acquired in 2023:
 - (1) North:
 - a. Residential: Xindian Baoyuan Urban Renewal, Keelung "Good morning, Kuo Yang Phase 2".
 - b. Plants and offices: New Taipei City "Kuo Yang Digital Technology Building" (Zhongxing Section Project), Xizhi Jiangbei Section New Taipei City Project.
 - (2) South:
 - a. Residential: Kaohsiung Nong 16 Project.
3. Projects being developed:
 - (1) North:
 - a. Residential: Taipei Ren'ai Urban Renewal Project.
 - b. Plants and offices: Zhongyi Section, Tucheng District Urban Renewal Project in New Taipei City.
 - (2) South: Kaohsiung Special Trade Zone 3 Office Building Urban Renewal Project (North side of the South Base).

(II) Land development:

1. Confronted with factors unfavorable to the developing of the housing market, including changes in the economy, the government's "Healthy Housing Market" policy, interest hikes, the Central Bank's credit control policy, the passing of the third reading of "The Equalization of Land Rights Act", in terms of land developments going forward, the residential projects will be mostly focused on urban renewals and joint development projects.
2. 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 satisfy market demand, create niche products, disperse the risk of product concentrations, and strengthen the Company's profitability.

3. We engaged in the government's recruitment projects in the wealthiest districts, developed urban renewal projects adjacent to public transportations, and actively participated in the government's goal in urban renewal and the reconstruction of urban unsafe and old building.
4. In addition to the joint construction in urban renewal projects and land development in industrial zones, we also activated existing assets by collaborating in urban renewal projects with our partners. For instance, The idle land on Minguan East Road and Jingmei District and more.

(III) Building planning and design:

We adhered to the government's net-zero emissions by 2050 goal by upholding a philosophy of sustainable management. We integrated local environmental factors in planning and design, and accounted for factors including ventilation, energy conservation, water resources, green environment, and used power-efficient equipment along with smart sensor controls in order to build a more comfortable and sustainable living space. By striving to construct green buildings under the Kuo Yang brand, we also strengthen our brand awareness.

(IV) Engineering cost, progress, and quality:

1. Building information management system has been deployed to make construction management more robust.
2. We also actively researched and developed new construction methods including creating a more industrial interior space and using porcelain slabs in the stairwells. Besides reducing the engineering time, it also helps to reduce dust and waste.

(V) Brand building and customer service:

1. Provide construction progress report to purchasing customers - Transparency in the construction progress and architectural method allows customers to understand engineering progress from the comfort of their homes, thereby recognizing Kuo Yang's thoughtfulness in construction.
2. Lifetime property health inspection - A professional management team is dedicated to caring for customers who purchased Kuo Yang projects.
3. Overall development of the community - Building community cohesion through

community events.

4. Deploying digital transformation - Establishing Home Go app, a community management platform to allow for instant communications and timely service.

(VI) Market research and development:

In the midst of a global economic slump and high inflation, Taiwan's Central Bank has cumulatively increased interest rates by 0.625% and implemented a number of credit control measures on the housing market. Moreover, the passing of the amendments to the Equalization of Land Rights Act has also made the residential housing market more conservative and speculative. The outlook of the overall real estate market will be bearish.

To summarize, Kuo Yang is opting for a diverse arrangement in land development, and except for industrial land at specific areas, we have turned to urban renewal or joint construction projects in terms of residential buildings. In addition, we are also focusing on the planning, construction method, and material use in individual construction projects to reduce waste generated during the construction process and increase circular recycling, thereby constructing (nearly) carbon neutral buildings that are more environmentally friendly. We also hope to maintain the Company's operating performance and to building a quality brand image by providing precise product positioning and well-rounded service quality.

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 2022 Financial Statements (Consolidated Financial Statements and Individual Financial Statements) 、 **Business Report and Earnings Distribution Statement.** prepared by the Company's Board of Directors. **The Financial Statements** were audited by PricewaterhouseCoopers, Taiwan which issued an Audit Report. The aforementioned Financial Statements 、 **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 2023

Audit Committee Acting Convener: Chiu-Mu Tseng

March 14, 2023

Attachment 3 2022 Financial Statements and Independent Auditor's Report

Independent Auditor's Report

(2023) Cai-Shen-Bao-Zi No. 22004605

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, 2022 and 2021, 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, 2022 and 2021 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 and promulgated to be effective 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, 2022 and 2021, and the consolidated financial performance and consolidated cash flow from January 1 to December 31, 2022 and 2021.

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 Standards on Auditing (TWSA). 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 2022 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 2022 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 handover 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 level 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.

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 2022 and 2021. 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\$986,405 thousand and NT\$970,823 thousand as of December 31, 2022 and 2021 accounted for 5.88% and 5.60% of the total assets, respectively. The comprehensive income recognized for 2022 and 2021 was NT\$142,204 thousand and NT\$168,898 thousand, which accounted for 50.76% and 23.05% 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 2022 and 2021, 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", International Financial Reporting Standards, International Accounting Standards, and explanations/interpretations approved and promulgated to be effective by FSC 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 Standards on Auditing (TWSA) 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 Standards on Accounting (TWSA), we exercised our professional judgment and professional skepticism. 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 2022 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
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 14, 2023

Kuo Yang Construction Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021

Unit: NT\$1,000

			December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
Assets						
Current assets						
1100	Cash and cash equivalents	6 (1)	\$ 2,221,552	13	\$ 2,661,525	15
1110	Current financial assets at fair value through profit or loss	6 (2)	16,964	-	20,424	-
1120	Current financial assets at fair value through other comprehensive income	6 (3)	433,514	3	744,787	4
1140	Contract assets - current	6 (18)	18,434	-	-	-
1150	Notes receivable, net	6 (4)	79,058	-	70,618	-
1170	Accounts receivable, net	6 (4) and 7	22,130	-	454,495	3
1200	Other receivables	7	21,248	-	305,206	2
1220	Current income tax assets		376	-	11,848	-
130X	Inventories	6 (5) (6) (9) and 8	11,659,894	70	10,658,248	62
1410	Prepayments		91,258	1	240,506	1
1476	Other Financial Assets - Current	8	37,347	-	1,230	-
1479	Other current assets - other		39,847	-	73,945	1
11XX	Total current assets		14,641,622	87	15,242,832	88
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6 (3) and 7	504,966	3	426,132	3
1550	Investments recognized under the equity method	6 (7) and 7	987,423	6	971,832	6
1600	Property, plant and equipment	6 (8) and 8	73,731	-	78,942	1
1755	Right-of-use assets	6 (5) (9)	40,053	-	61,412	-
1760	Investment properties, net	6 (10) and 8	252,641	2	254,028	1
1840	Deferred income tax assets		439	-	13,737	-
1920	Refundable deposits	7	104,859	1	164,002	1
1980	Other Financial Assets - Non Current	8	89,455	1	59,437	-
1990	Other non-current assets - other		80,948	-	77,221	-
15XX	Total non-current assets		2,134,515	13	2,106,743	12

(Continued)

Kuo Yang Construction Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021

Unit: NT\$1,000

Liabilities and Equity			December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6 (11)	\$ 5,465,517	33	\$ 4,671,351	27
2110	Short-term notes and bills payable	6 (12)	527,672	3	1,138,402	7
2130	Contract liabilities - current	6 (18)	208,411	1	998,447	6
2150	Notes payable		73,925	1	245,348	1
2170	Accounts payable		224,527	1	394,337	2
2219	Other payables - other	7	471,703	3	253,898	2
2230	Current income tax liabilities		72,091	1	217,920	1
2280	Lease liabilities - current		22,151	-	22,308	-
2399	Other current liabilities - other		71,395	-	96,084	1
21XX	Total current liabilities		7,137,392	43	8,038,095	47
Non-current liabilities						
2580	Lease liabilities - non-current		21,707	-	44,092	-
2645	Deposits received	7	2,312	-	2,853	-
2670	Other non-current liabilities - other		1,247	-	1,221	-
25XX	Total non-current liabilities		25,266	-	48,166	-
2XXX	Total liabilities		7,162,658	43	8,086,261	47
Equity						
Equity attributable to owners of parent company						
Share capital			6 (14)			
3110	Capital stock - common		3,800,000	23	3,800,000	22
Capital surplus			6 (15)			
3200	Capital surplus		627,683	4	627,683	3
Retained earnings			6 (16)			
3310	Legal reserve		999,950	6	988,010	6
3320	Special reserve		10,017	-	-	-
3350	Undistributed earnings		4,210,159	25	3,823,726	22
Other equity			6 (17)			
3400	Other equity		(138,232)	(1)	(10,017)	-
31XX	Total equity attributable to owners of parent company		9,509,577	57	9,229,402	53
36XX	Non-controlling interest		103,902	-	33,912	-
3XXX	Total equity		9,613,479	57	9,263,314	53
Significant contingent liabilities and unrecognized contractual commitments			9			
Significant events after the balance sheet date			11			

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, 2022 and 2021

Unit: NT\$1,000

		(except earnings per share which is expressed in NT\$)			
		2022		2021	
Item	Notes	Amount	%	Amount	%
4000 Operating revenue	6 (18) and 7	\$ 3,954,516	100	\$ 5,124,284	100
5000 Operating costs	6 (15) (23) (24)	(3,169,639)	(80)	(3,762,094)	(74)
5900 Operating profit		<u>784,877</u>	<u>20</u>	<u>1,362,190</u>	<u>26</u>
Operating expenses	6 (23) (24)				
6100 Promotion expenses		(176,846)	(5)	(169,106)	(3)
6200 Administrative expenses		(328,814)	(8)	(252,851)	(5)
6000 Total operating expenses		(505,660)	(13)	(421,957)	(8)
6900 Operating profit		<u>279,217</u>	<u>7</u>	<u>940,233</u>	<u>18</u>
Non-operating income and expenses					
7100 Interest income	6 (19)	6,056	-	7,143	-
7010 Other income	6 (20)	113,713	3	72,190	2
7020 Other profits and losses	6 (21)	(9,287)	-	(12,671)	-
7050 Finance costs	6 (22)	(30,519)	(1)	(46,674)	(1)
7060 Share of profit or loss of affiliates and joint ventures recognized under the equity method	6 (7)				
		<u>194,219</u>	<u>5</u>	<u>205,409</u>	<u>4</u>
7000 Total non-operating income and expenses		<u>274,182</u>	<u>7</u>	<u>225,397</u>	<u>5</u>
7900 Pre-tax profit		<u>553,399</u>	<u>14</u>	<u>1,165,630</u>	<u>23</u>
7950 Income tax expenses	6 (25)	(67,481)	(2)	(183,493)	(4)
8200 Net profit of the term		\$ 485,918	12	\$ 982,137	19

(Continued)

Kuo Yang Construction Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2022 and 2021

Unit: NT\$1,000

		(except earnings per share which is expressed in NT\$)			
		2022		2021	
Item	Notes	Amount	%	Amount	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6 (17)	(\$ 206,045)	(5)	(\$ 249,335)	(5)
8310 Total components of other comprehensive income that will not be reclassified to profit or loss		(206,045)	(5)	(249,335)	(5)
Components that may be reclassified to profit or loss					
8361 Exchange differences on translation of foreign financial statements	6 (17)	283	-	(108)	-
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)	9	-	26	-
8360 Total components that may be reclassified to profit or loss		292	-	(82)	-
8300 Other comprehensive income (net)		(\$ 205,753)	(5)	(\$ 249,417)	(5)
8500 Total comprehensive income		\$ 280,165	7	\$ 732,720	14
Net profit (loss) attributable to:					
8610 Owners of the parent company		\$ 485,928	12	\$ 982,151	19
8620 Non-controlling interest		(10)	-	(14)	-
		\$ 485,918	12	\$ 982,137	19
Total comprehensive income attributable to:					
8710 Owners of the parent company		\$ 280,175	7	\$ 732,734	14
8720 Non-controlling interest		(10)	-	(14)	-
		\$ 280,165	7		
EPS	6 (26)				
9750 Basic earnings per share		\$ 1.28		\$ 2.58	

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, 2022 and 2021

Unit: NT\$1,000

		Equity attributable to owners of parent company									
		Retained earnings				Other equity					
						Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		Non-controlling interest	Total equity	
Notes		Capital stock - common	Capital surplus	Legal reserve	Undistributed earnings			Total			
2021											
		\$ 3,800,000	\$ 627,683	\$ 856,070	\$ -	\$ 3,456,890	\$ 22,116	\$ 493,909	\$ 9,256,668	\$ 33,926	\$ 9,290,594
		-	-	-	-	982,151	-	-	982,151	(14)	982,137
	6 (17)	-	-	-	-	-	(82)	(249,335)	(249,417)	-	(249,417)
		-	-	-	-	982,151	(82)	(249,335)	732,734	(14)	732,720
Earnings appropriation and distribution: 6 (16)											
		-	-	131,940	-	(131,940)	-	-	-	-	-
		-	-	-	-	(760,000)	-	-	(760,000)	-	(760,000)
	6 (17)	-	-	-	-	276,625	-	(276,625)	-	-	-
		\$ 3,800,000	\$ 627,683	\$ 988,010	\$ -	\$ 3,823,726	\$ 22,034	(\$ 32,051)	\$ 9,229,402	\$ 33,912	\$ 9,263,314
2022											
		\$ 3,800,000	\$ 627,683	\$ 988,010	\$ -	\$ 3,823,726	\$ 22,034	(\$ 32,051)	\$ 9,229,402	\$ 33,912	\$ 9,263,314
		-	-	-	-	485,928	-	-	485,928	(10)	485,918
	6 (17)	-	-	-	-	-	292	(206,045)	(205,753)	-	(205,753)
		-	-	-	-	485,928	292	(206,045)	280,175	(10)	280,165
Earnings appropriation and distribution: 6 (16)											
		-	-	11,940	-	(11,940)	-	-	-	-	-
		-	-	-	10,017	(10,017)	-	-	-	-	-
	6 (17)	-	-	-	-	(77,538)	-	77,538	-	-	-
		-	-	-	-	-	-	-	-	70,000	70,000
		\$ 3,800,000	\$ 627,683	\$ 999,950	\$ 10,017	\$ 4,210,159	\$ 22,326	(\$ 160,558)	\$ 9,509,577	\$ 103,902	\$ 9,613,479

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, 2022 and 2021

Unit: NT\$1,000

	Notes	, 2022	, 2021
<u>Cash Flows from Operating Activities</u>			
Net profit before tax of the current period		\$ 553,399	\$ 1,165,630
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6 (23)	29,924	29,882
Amortization cost	6 (23)	542	234
Interest expenses	6 (22)	30,519	46,674
Interest income	6 (19)	(6,056)	(7,143)
Share of profit (loss) of affiliates and joint ventures recognized under the equity method	6 (7)	(194,219)	(205,409)
Dividend income	6 (20)	(75,629)	(51,934)
Gains or losses on financial assets at fair value through profit or loss	6 (21)	3,460	(262)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		(18,434)	-
Notes receivable, net		(8,440)	(18,070)
Accounts receivable, net		432,365	(204,981)
Other receivables		283,958	188,213
Inventories		(912,280)	(393,341)
Prepayments		126,748	334,192
Other current assets		34,098	2,731
Other non-current assets		18,231	40,245
Changes in operating liabilities			
Contract liabilities		(790,036)	(13,597)
Notes payable		(171,423)	138,160
Accounts payable		(169,810)	(434,696)
Other payables		220,595	(39,765)
Other current liabilities		(24,689)	6,982
Cash inflow (outflow) generated from operations		(637,177)	583,745
Interest received		6,056	2,256
Interest paid		(122,649)	(112,740)
Income tax paid		(188,495)	(10,206)
Dividends received		202,251	116,094
Net cash inflow (outflow) from operating activities		(740,014)	579,149
<u>Cash Flows from Operating Activities</u>		\$ 553,399	\$ 1,165,630
Net profit before tax of the current period			
Adjustments			
Adjustments to reconcile profit (loss)		29,924	29,882

(Continued)

Kuo Yang Construction Co., Ltd. and Subsidiaries
Consolidated Cash Flow Statement
January 1 to December 31, 2022 and 2021

Unit: NT\$1,000

	Notes	2022	, 2021
<u>Cash Flows from Investing Activities</u>			
<u>Cash Flows from Investing Activities</u>			
Current financial assets at fair value through profit or loss		\$ -	\$ 12,113
Acquisition of current financial assets at fair value through other comprehensive income		(507,851)	(2,624,129)
Disposal of current financial assets at fair value through other comprehensive income	7	645,796	2,374,751
Acquisition of non-current financial assets at fair value through other comprehensive income		(59,548)	(10,645)
Increases (decreases) in other financial assets	7	(66,135)	228,108
Acquisition of payments for investments recognized under the equity method	7	-	(22,456)
Increases (decreases) in guarantee deposits		59,143	(59,715)
Acquisition of property, plant and equipment		(1,967)	-
Proceeds from disposal of property, plant and equipment		-	108
Net cash inflow (outflow) from investing activities		<u>69,438</u>	<u>(101,865)</u>
<u>Cash Flows from Financing Activities</u>			
Increase in short-term loans		794,166	1,152,512
Decreases in short-term notes payable	6 (27)	(610,730)	(744,971)
Repayments of lease liabilities	6 (27)	(22,542)	(21,403)
Decrease in guarantee deposits received	6 (27)	(541)	(143)
Cash dividends paid	6 (27)	-	(760,000)
Cash refunded in capital reduction	6 (16)	-	(3,165,825)
Changes in non-controlling interests	6 (14)	<u>70,000</u>	<u>-</u>
Cash inflow (outflow) generated from financing activities, net		<u>230,353</u>	<u>(3,539,830)</u>
Effect of exchange rate changes on cash and cash equivalents		250	(868)
Decrease in cash and cash equivalents		(439,973)	(3,063,414)
Cash and cash equivalents at beginning of period		2,661,525	5,724,939
Cash and cash equivalents at end of period		<u>\$ 2,221,552</u>	<u>\$ 2,661,525</u>
Cash and cash equivalents at end of period		<u>\$ 12,113</u>	<u>\$ 12,113</u>

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

(2023) Cai-Shen-Bao-Zi No. 22004384

To Kuo Yang Construction Co., Ltd.:

Audit Opinions

The Individual Balance Sheet of Kuo Yang Construction Co., Ltd. as of December 31, 2022 and 2021 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, 2022 and 2021 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, 2022 and 2021, and its individual financial performance and its individual cash flow from January 1 to December 31, 2022 and 2021.

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 Standards on Accounting (TWSA). 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 2022 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 2022 are as follows:

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

Description

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 handover 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 level 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.

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 2022 and 2021. 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\$986,405 thousand and NT\$970,823 thousand as of December 31, 2022 and 2021 accounted for 6.32% and 5.93% of the total assets, respectively. The comprehensive income recognized for 2022 and 2021 was NT\$142,204 thousand and NT\$168,898 thousand, which accounted for 50.76% and 23.05% 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 Standards on Auditing (TWSA) 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 Standards on Accounting (TWSA), we exercised our professional judgment and professional skepticism. 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 2022 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 14, 2023

Kuo Yang Construction Co., Ltd.
Individual Balance Sheet
December 31, 2022 and 2021

Unit: NT\$1,000

Assets		Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6 (1)	\$ 1,464,782	9	\$ 2,082,508	13
1110	Current financial assets at fair value through profit or loss	6 (2)	11,830	-	14,803	-
1120	Current financial assets at fair value through other comprehensive income	6 (3)	119,528	1	309,592	2
1140	Contract assets - current	6 (17)	18,434	-	-	-
1150	Notes receivable, net	6 (4)	61,223	-	50,628	-
1170	Accounts receivable, net	6 (4)	21,611	-	453,191	3
1200	Other receivables		18,914	-	280,408	2
1210	Other receivables - related parties	7	11,286	-	60,975	-
1220	Current income tax assets	6 (24)	283	-	11,628	-
130X	Inventories	6 (5) (6) and 8	9,735,453	63	9,111,433	56
1410	Prepayments		88,457	1	213,841	1
1476	Other Financial Assets - Current	8	600	-	1,209	-
1479	Other current assets - other		5,346	-	37,093	-
11XX	Total current assets		11,557,747	74	12,627,309	77
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6 (3) and 7	316,658	2	234,385	2
1550	Investments recognized under the equity method	6 (7)	3,456,148	22	3,097,318	19
1600	Property, plant and equipment	8	28,704	-	30,459	-
1755	Right-of-use assets	6 (8)	39,165	-	58,747	-
1760	Investment properties, net	6 (9) and 8	60,524	1	61,672	1
1840	Deferred income tax assets	6 (24)	439	-	13,737	-
1920	Refundable deposits		88,177	1	139,653	1
1980	Other Financial Assets - Non Current	8	48,335	-	48,335	-
1990	Other non-current assets - other		2,737	-	54,383	-
15XX	Total non-current assets		4,040,887	26	3,738,689	23
1XXX	Total assets		\$ 15,598,634	100	\$ 16,365,998	100

(Continued)

Kuo Yang Construction Co., Ltd.
Individual Balance Sheet
December 31, 2022 and 2021

Unit: NT\$1,000

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6 (10)	\$ 4,651,483	30	\$ 4,125,766	25
2110	Short-term notes and bills payable	6 (11)	527,672	3	954,728	6
2130	Contract liabilities - current	6 (17)	42,781	-	868,648	6
2150	Notes payable		67,358	1	244,653	2
2170	Accounts payable		184,527	1	369,164	2
2219	Other payables - other	6 (13) and 7	452,773	3	212,621	1
2230	Current income tax liabilities	6 (24)	56,144	-	210,648	1
2280	Lease liabilities - current		21,255	-	20,523	-
2399	Other current liabilities - other		60,400	1	82,955	1
21XX	Total current liabilities		<u>6,064,393</u>	<u>39</u>	<u>7,089,706</u>	<u>44</u>
Non-current liabilities						
2580	Lease liabilities - non-current		21,707	-	43,212	-
2645	Deposits received		1,711	-	2,458	-
2670	Other non-current liabilities - other		1,246	-	1,220	-
25XX	Total non-current liabilities		<u>24,664</u>	<u>-</u>	<u>46,890</u>	<u>-</u>
2XXX	Total liabilities		<u>6,089,057</u>	<u>39</u>	<u>7,136,596</u>	<u>44</u>
Equity						
	Share capital	6 (13)				
3110	Capital stock - common		3,800,000	24	3,800,000	23
	Capital surplus	6 (14)				
3200	Capital surplus		627,683	4	627,683	4
	Retained earnings	6 (15)				
3310	Legal reserve		999,950	7	988,010	6
3320	Special reserve		10,017	-	-	-
3350	Undistributed earnings		4,210,159	27	3,823,726	23
	Other equity	6 (16)				
3400	Other equity		(138,232)	(1)	(10,017)	-
3XXX	Total equity		<u>9,509,577</u>	<u>61</u>	<u>9,229,402</u>	<u>56</u>
	Commitment and contingencies	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 15,598,634</u>	<u>100</u>	<u>\$ 16,365,998</u>	<u>100</u>

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
December 31, 2021 and 2020

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

	Item	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	6 (17)	\$ 3,111,563	100	\$ 4,527,439	100
5000	Operating costs	6 (22)				
		(23)	(2,585,071)	(83)	(3,317,388)	(73)
5900	Operating profit		<u>526,492</u>	<u>17</u>	<u>1,210,051</u>	<u>27</u>
	Operating expenses	6 (22)				
		(23)				
6100	Promotion expenses		(115,299)	(4)	(123,520)	(3)
6200	Administrative expenses		(306,611)	(10)	(229,471)	(5)
6000	Total operating expenses		(421,910)	(14)	(352,991)	(8)
6900	Operating profit		<u>104,582</u>	<u>3</u>	<u>857,060</u>	<u>19</u>
	Non-operating income and expenses					
7100	Interest income	6 (18)	4,616	-	6,273	-
7010	Other income	6 (19)	35,257	1	43,781	1
7020	Other profits and losses	6 (20)	(8,650)	-	(11,956)	-
7050	Finance costs	6 (21)	(27,110)	(1)	(32,084)	(1)
7070	Share of profit or loss of subsidiaries, affiliates, and joint ventures recognized under the equity method	6 (7)				
			<u>428,955</u>	<u>14</u>	<u>293,759</u>	<u>7</u>
7000	Total non-operating income and expenses		<u>433,068</u>	<u>14</u>	<u>299,773</u>	<u>7</u>
7900	Pre-tax profit		<u>537,650</u>	<u>17</u>	<u>1,156,833</u>	<u>26</u>
7950	Income tax expenses	6 (24)	(51,722)	(1)	(174,682)	(4)
8200	Net profit of the term		<u>\$ 485,928</u>	<u>16</u>	<u>\$ 982,151</u>	<u>22</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		\$ 4,321	-	(\$ 232,204)	(5)
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		(210,366)	(7)	(17,131)	(1)
8310	Total components of other comprehensive income that will not be reclassified to profit or loss		(206,045)	(7)	(249,335)	(6)
	Components that may be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		310	-	(113)	-
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		(18)	-	31	-
8360	Total components that may be reclassified to profit or loss		<u>292</u>	<u>-</u>	<u>(82)</u>	<u>-</u>
8300	Other comprehensive income (net)		<u>(\$ 205,753)</u>	<u>(7)</u>	<u>(\$ 249,417)</u>	<u>(6)</u>
8500	Total comprehensive income		<u>\$ 280,175</u>	<u>9</u>	<u>\$ 732,734</u>	<u>16</u>
	Basic earnings per share	6 (25)				
9750	Basic earnings per share		<u>\$ 1.28</u>		<u>\$ 2.58</u>	
	Diluted earnings per share	6 (25)				
9850	Diluted earnings per share		<u>\$ 1.28</u>		<u>\$ 2.58</u>	

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, 2022 and 2021

Unit: NT\$1,000

	Notes	Retained earnings					Other equity		Total equity
		Capital stock - common	Capital surplus	Legal reserve	Special 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	
<u>2021</u>									
Balance as of January 1, 2021		\$ 3,800,000	\$ 627,683	\$ 856,070	\$ -	\$ 3,456,890	\$ 22,116	\$ 493,909	\$ 9,256,668
Net profit of the term		-	-	-	-	982,151	-	-	982,151
Other comprehensive income for the period	6 (16)	-	-	-	-	-	(82)	(249,335)	(249,417)
Total comprehensive income		-	-	-	-	982,151	82	249,335	732,734
Earnings appropriation and distribution:	6 (15)								
Allocation to legal reserve		-	-	131,940	-	(131,940)	-	-	-
Cash dividends		-	-	-	-	(760,000)	-	-	(760,000)
Disposal of equity instruments in other comprehensive income measured at fair value through profit and loss	6 (16)	-	-	-	-	276,625	-	(276,625)	-
Balance as of December 31, 2021		<u>\$ 3,800,000</u>	<u>\$ 627,683</u>	<u>\$ 988,010</u>	<u>\$ -</u>	<u>\$ 3,823,726</u>	<u>\$ 22,034</u>	<u>(\$ 32,051)</u>	<u>\$ 9,229,402</u>
<u>2022</u>									
Balance as of January 1, 2022		\$ 3,800,000	\$ 627,683	\$ 988,010	\$ -	\$ 3,823,726	\$ 22,034	(\$ 32,051)	\$ 9,229,402
Net profit of the term		-	-	-	-	485,928	-	-	485,928
Other comprehensive income for the period	6 (16)	-	-	-	-	-	292	(206,045)	(205,753)
Total comprehensive income		-	-	-	-	485,928	292	(206,045)	280,175
Earnings appropriation and distribution:	6 (15)								
Allocation to legal reserve		-	-	11,940	-	(11,940)	-	-	-
Provision for special surplus reserve		-	-	-	10,017	(10,017)	-	-	-
Disposal of equity instruments in other comprehensive income measured at fair value through profit and loss	6 (16)	-	-	-	-	(77,538)	-	77,538	-
Balance as of December 31, 2022		<u>\$ 3,800,000</u>	<u>\$ 627,683</u>	<u>\$ 999,950</u>	<u>\$ 10,017</u>	<u>\$ 4,210,159</u>	<u>\$ 22,326</u>	<u>(\$ 160,558)</u>	<u>\$ 9,509,577</u>

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, 2022 and 2021

Unit: NT\$1,000

	Notes	2022	2021
<u>Cash Flows from Operating Activities</u>			
Net profit before tax of the current period		\$ 537,650	\$ 1,156,833
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6 (22)	24,453	24,523
Amortization cost	6 (22)	542	234
Interest expenses	6 (21)	27,110	32,084
Interest income	6 (18)	(4,616)	(6,273)
Dividend income	6 (19)	(24,481)	(26,209)
Share of profit (loss) of affiliates and joint ventures recognized under the equity method	6 (7)	(428,955)	(293,759)
Net gains (losses) on financial assets at fair value through profit or loss	6 (20)	2,973	(703)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		(18,434)	-
Notes receivable, net		(10,595)	(9,556)
Accounts receivable, net		431,580	(228,209)
Other receivables		261,213	143,763
Other receivables - related parties		49,689	93,419
Inventories		(545,656)	(241,065)
Prepayments		125,384	289,300
Other current assets		32,356	216,876
Other non-current assets		51,104	48,037
Changes in operating liabilities			
Contract liabilities		(825,867)	(83,512)
Notes payable		(177,295)	186,372
Accounts payable		(184,637)	(439,132)
Other payables		242,782	(34,478)
Other current liabilities		(22,555)	(361)
Cash inflow (outflow) generated from operations		(456,255)	828,184
Interest received		4,616	6,273
Interest paid		(108,078)	(116,031)
Dividends received		124,531	90,369
Income tax paid		(181,300)	(9,079)
Net cash inflow (outflow) from operating activities		(616,486)	799,716
<u>Cash Flows from Investing Activities</u>			
Acquisition of current financial assets at fair value through profit or loss		-	(25,000)
Disposal of current financial assets at fair value through profit or loss		-	31,508
Acquisition of current financial assets at fair value through other comprehensive income		(5,060)	(397,605)
Disposal of current financial assets at fair value through other comprehensive income		176,719	521,651
Acquisition of non-current financial assets at fair value through other comprehensive income		(59,548)	-
Acquisition of payments for investments recognized under the equity method	7	(240,000)	(22,456)
Acquisition of property, plant and equipment		(1,968)	-
Increases (decreases) in guarantee deposits		51,476	(59,715)
Net cash inflow (outflow) from investing activities		(78,381)	48,383
<u>Cash Flows from Financing Activities</u>			
Increase in short-term loans	6 (26)	525,717	931,804
Decrease in short-term notes and bills payable	6 (26)	(427,056)	(364,040)
Repayments of lease liabilities	6 (26)	(20,773)	(19,760)
(Decrease) increase in guarantee deposits received	6 (26)	(747)	845
Cash dividends paid	6 (15) (26)	-	(760,000)
Cash refunded in capital reduction	6 (13)	-	(3,165,825)
Cash inflow (outflow) generated from financing activities, net		77,141	(3,376,976)
Decrease in cash and cash equivalents		(617,726)	(2,528,877)
Cash and cash equivalents at beginning of period		2,082,508	4,611,385
Cash and cash equivalents at end of period		\$ 1,464,782	\$ 2,082,508

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

2022

Unit: NT\$

Item	Amount
Opening undistributed earnings	3,801,769,451
Plus: After-tax net profit of the 2022	485,927,951
Disposal of equity instruments in other comprehensive income measured at fair value through profit and loss	(77,538,643)
Minus: 10% legal reserve	(40,838,931)
Minus: Provision for special surplus reserve	(128,215,509)
Distributable earnings	4,041,104,319
Distribution items:	
Shareholder dividends – cash	0
Shareholder dividends - stocks	0
Closing undistributed earnings	4,041,104,319

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 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. <u>Shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</u> <u>The Company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters regarding the holding of shareholders' meeting by means of visual communication network.</u>	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.	Paragraphs 2 and 3 in this Article have been added in accordance with the amendment to Article 172 of the Company Act and Article 22 of the Securities and Exchange Act.
Article 13	In case a shareholder cannot attend a shareholders' meeting in person, the shareholder may appoint a proxy to attend the shareholders' meeting in his/her/its behalf and executing relevant rights in line accordance with Article 177 of the Company Act and other relevant laws and regulations. Except otherwise stipulated by relevant laws, the proxy is not limited to shareholders of the Company. A shareholder exercising voting rights by electronic means will	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.	Wording adjustments.

	be deemed to have attended the meeting in person, and relevant matters will be executed in line with applicable laws.		
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

List of Director Candidates

Type of Candidate	Name	Education	Experience	Current position	Number of shares held
Director	Chi Chan Industries Co., Ltd. Representative: Tzu-Kuan Lin	Chinese Culture University	President, Top Plaza Hotel, Kaohsiung. President, Spring City Resort, Taipei Legal representative of Grand Hi-Lai Hotel Management Consulting Co., Ltd.	Chairman, Kuo Yang Construction Co., Ltd President, Grand Hi-Lai Hotel Business Group Director, Hanshin Shopping Plaza Co., Ltd. Shopping Plaza Co., Ltd. Director, Hanshin Department Store Co., Ltd. Director, Kaohsiung Arena Development Corporatio. Co., Ltd Chairman, Shang Yang International Asset Management Co., Ltd. Chairman, Shen Yang Construction Co., Ltd. Chairman, Che Yang Agricultural Technology Co., Ltd. Chairman, Chi Yang Construction Co., Ltd. Chairman, Pu Li Management Consulting Co., Ltd Chairman, Star Era International Co., Ltd. Director, Sweet Me Hot Spring Resort Co., Ltd.	698,880
Director	Chi Chan Industries Co., Ltd. Representative: Chia-Chi Hou	BS in Applied Mathematics and Chemical Engineering, Johns Hopkins University Master/PhD in Department of Bioengineering, Stanford University Master in Applied Computation, Harvard University	Medical Research Assistant, Johns Hopkins University Senior Scientist, Pfizer Inc.	Director, Kuo Yang Construction Co., Ltd Director, Hanshin Asset Management Co., Ltd. Director, Kaohsiung Arena Development Corporation Chairman, Han Yang Global Co., Ltd. Director, Jollify4ever Ltd. Chairman, HCW Investment Co., Ltd. Chairman, Ascent Development Opment Co., Ltd. Chairman, Hanshin Shopping Plaza Co., Ltd. Chairman, Hanshin Department Store Co., Ltd. Director, Grand Hi-Lai Hotel Co., Ltd. Director, Han Shen Investment Co., Ltd. Director, Star Era International Co., Ltd	698,880
Director	Cheng Chi Co., Ltd.: Representative; Jer-Shyong Tsai	Department of International Business, National Chengchi University	Chairman, The Bankers Association of the Republic of China Director, Central Bank Executive Director, General Chamber of Commerce of the Republic of China Director, Taiwan Stock Exchange Corporation Chairman, Taiwan Financial Holdings Chairman, Bank of Taiwan Chairman, Land Bank of Taiwan President, First Bank	Director, Kuo Yang Construction Co., Ltd Chairman, Hanshin Asset Management Co., Ltd. Chairman, Han Shen Investment Co., Ltd. Director, Hanshin Shopping Plaza Co., Ltd. Director, Hanshin Department Store Co., Ltd. Director, Huang Hsiang Construction	23,124,570

Director	Cheng Chi Co., Ltd. Representative: Chien-Pung Ruan	Department of Land Economics, National Chengchi University	Chairman, Lending Committee, The Bankers Association of the Republic of China Vice President and Chief Auditor, Land Bank of Taiwan Director, Mega Bills Finance Director, Agricultural Credit Guarantee Fund	Director, Kuo Yang Construction Co., Ltd Chairman, Kaohsiung Arena Development Corporation. Director, Hanshin Asset Management Co., Ltd. Director, Han Shen Investment Co., Ltd. Independent Director, Chialin Precision Industrial Co., Ltd.	23,124,570
Director	Cheng Chi Co., Ltd. Representative: Fu-chih Chiu	MBA, University of Houston,	Chairman, Kuo Yang Construction Co., Ltd Director, Hi-Lai Foods Co., Ltd	None	23,124,570
Director	Cheng Chi Co., Ltd. Representative: Pei-Kui Su	Department of Finance, National Sun Yat-sen University	Uni-President Enterprises Corp.	Director, Kuo Yang Construction Co., Ltd Hanshin Department Store Co., Ltd. Assistant Vice President, Business Management Department	4,402,948
Independent Director	Li-Yen Yang	Graduated from the Department of Business Management, College of Law, National Taiwan University. Qualified in the Senior Examination for Field Operations of Financial Personnel in 1978	Manager, South Africa Branch, Bank of Taiwan Manager, Los Angeles Branch, Bank of Taiwan Manager, International Department, Bank of Taiwan Vice President, Bank of Taiwan Managing Director and President, Hua Nan Bank Director and President, Mega Financial Holdings Managing Director and President, Mega International Commercial Bank	Independent Director, Kuo Yang Construction Co., Ltd	0
Independent Director	Wu-Po Kuo	Graduated with a bachelor's degree, Department of Land Resources, Chinese Culture University and graduated from the Institute of Public Administration, National Chengchi University. Qualified in the Senior Examination for Land Administration in 1975	Staff, Ministry of the Interior Deputy Captain, Measurement Team, Department of Land Administration, Taipei City Government Director, Taipei Jiancheng Land Office Captain, Measurement Team, Department of Land Administration, Taipei City Government Deputy Director, Northern Region Branch, National Property Administration Director, Northern Region Branch, National Property Administration Deputy Director General, National Property Administration Director General, National Property Administration Counselor, Ministry of Finance Managing Director, Land Bank of Taiwan	Independent Director, Kuo Yang Construction Co., Ltd	0
Independent Director	Chiu-Mu Tseng	Graduated from the Institute of Land Economics, National Chengchi University	Instructor, Air Force Institute of Technology Lecturer, National Chiayi Institute of Agriculture Director, Taipei Guting Land Office Acting Director, Taipei Shilin Land Office Secretary General, Department of Land Administration, Taipei City	Independent Director, Kuo Yang Construction Co., Ltd Consultant, Land Administration Agent Guild of Taipei City Team Member, Advisory Board, Taipei City Government Consultant, Taipei City Land Administration Agent Volunteer Service	0

			Government Deputy Director General, Department of Land Administration, Taipei City Government Consultant, Land Administration Agent Guild of Taipei City Consultant, Association for the Promotion of Cadastral Rights of the Republic of China Team Member, Advisory Board, Taipei City Government	Association Member, Arbitration Technology and Arbitration Business Promotion Committee, Chinese Real Estate Arbitration Association	
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Attachment 7

**Status of Directors and Independent Directors Concurrently Holding Positions at
Other Companies.....**

Type of Candidate	Name of Candidate	Name and positions concurrently held at other companies
Director	Chi Chan Industries Co., Ltd. Representative: Tzu-Kuan Lin	Chairman, Kuo Yang Construction Co., Ltd President, Grand Hi-Lai Hotel Business Group Director, Hanshin Shopping Plaza Co., Ltd. Shopping Plaza Co., Ltd. Director, Hanshin Department Store Co., Ltd. Director, Kaohsiung Arena Development Corporatio. Co., Ltd Chairman, Shang Yang International Asset Management Co., Ltd. Chairman, Shen Yang Construction Co., Ltd. Chairman, Che Yang Agricultural Technology Co., Ltd. Chairman, Chi Yang Construction Co., Ltd. Chairman, Pu Li Management Consulting Co., Ltd Chairman,Star Era International Co., Ltd Director, Sweet Me Hot Spring Resort Co., Ltd.
Director	Chi Chan Industries Co., Ltd. Representative: Chia-Chi Hou	Director, Hanshin Asset Management Co., Ltd. Director, Kaohsiung Arena Development Corporation Chairman, Han Yang Global Co., Ltd. Director, Jollify4ever Ltd. Chairman, HCW Investment Co., Ltd. Chairman, Ascent Development Opment Co., Ltd. Chairman, Hanshin Shopping Plaza Co., Ltd. Chairman, Hanshin Department Store Co., Ltd. Director, Grand Hi-Lai Hotel Co., Ltd. Director, Han Shen Investment Co., Ltd. Chairman, ,Star Era International Co., Ltd
Director	Cheng Chi Co., Ltd.: Representative; Jer-Shyong Tsai	Chairman, Hanshin Asset Management Co., Ltd. Chairman, Han Shen Investment Co., Ltd. Director, Hanshin Shopping Plaza Co., Ltd. Director, Hanshin Department Store Co., Ltd. Director, Huang Hsiang Construction
Director	Cheng Chi Co., Ltd. Representative: Chien-Pung Ruan	Chairman, Kaohsiung Arena Development Corporation. Director, Hanshin Asset Management Co., Ltd. Director, Han Shen Investment Co., Ltd. Independent Director, Chialin Precision Industrial Co., Ltd.
Director	Pai Ti Development Co., Ltd.Representative: Pei-Kui Su	Hanshin Department Store Co., Ltd. Assistant Vice President, Business Management Department

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 **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.

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'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. The 39th amendment was on June 17, 2022.

Kuo Yang Construction Co., Ltd.

Chairman: Tzu-Kuan Lin

Appendix 3

Kuo Yang Construction Co., Ltd.

Procedures for Election of Directors

- I. The elections, re-elections, and election of succeeding Directors of the Company will be executed in accordance with these Procedures.
- II. Elections of Directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. For election of the Directors at the Company, each share will have voting rights in number equal to the Directors to be elected, and may be cast for a single candidate or split among multiple candidates. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- III. The number of Directors will be as specified in the Company's Articles of Incorporation, in which those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- IV. When the election begins, the chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel.
- V. The ballots shall be prepared by the Board of Directors, and filled with the assigned voting rights and distributed to the shareholders in attendance at the Shareholders' Meeting.
- VI. During the election, shareholders shall specify the name of the candidate and his/her/its shareholder account number on the column specifying the person being elected on the ballot. If the candidate is not a shareholder, he/she shall indicate his/her name and National ID number. However, when the shareholder is a government agency or an institution, the name of the government agency or institution and its representative should also be indicated in the column specifying the person being elected.
- VII. A ballot with any of the following circumstances is considered void:
 1. A ballot is prepared using these Procedures.

2. A blank ballot is placed in the ballot box, or the necessary conditions required in Articles 5 and 6 of these Procedures have not been specified.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, and his/her/its account number and name does not match the ones recorded in the shareholders' register; or the person being elected is not a shareholder, and his/her/its name and national ID have been verified to be inconsistent.
5. The ballot contains two (inclusive) or more persons being elected.
6. There is additional information on the ballot than the name and shareholders' account number (or ID number) of the candidate.
7. The candidate's name written in the ballot coincides with other persons, but no information such as shareholder ID or ID card number has been provided for identification.

VIII. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation shall be announced by the chair on the site.

IX. The Board of Directors of the Company shall separately issue notifications to the elected Directors.

X. Any subject matter unspecified in these Procedures will be executed in accordance with the Company Act, the Articles of Incorporation, and relevant laws and regulations.

These Procedures shall be implemented after approval by a Shareholders' Meeting.

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 15, 2023) 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 15, 2023 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 **and nominate** for the 2022 general shareholders' meeting but has not received any proposal from shareholders in the proposal **and nominate** period.