

Stock Code: 2546

Meeting Handbook
2021 Annual General Shareholders' Meeting



Kedge Construction Co., Ltd.

Time: 9:00 a.m., June 16, 2021

**Location: No. 131, Sec. 3, Heping E. Rd., Da'an Dist., Taipei City, Taiwan
(R.O.C.) (1F Lobby in the Company)**

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Kedge Construction Co., Ltd.

Procedure for the 2021 Annual General Shareholders' Meeting

- I. Call the Meeting to Order
- II. Chairman ' s remarks
- III. Announcements
- IV. Proposals
- V. Discussions
- VI. Other Matters
- VII. Extempore Motions
- VIII. Adjournment

Kedge Construction Co., Ltd.
Agenda for the 2021 Annual General Shareholders' Meeting

Time: 9:00 a.m. on Jun. 16, 2021 (Wednesday)

Location: No. 131, Sec. 3, Heping E. Rd., Da'an Dist., Taipei City, Taiwan (R.O.C.)
(1F Lobby of the Company)

I. Announcements:

(I) 2020 Business Report.

(II) 2020 Audit Committee's Review Report.

(III) 2020 Employees' and Directors' Remuneration Distribution Report.

(IV) Other Matters:

1. The Company's Endorsement/Guarantee for Others.

2. Formulation of the Company's Procedures for Ethical Management and Guidelines for Conduct.

II. Proposals:

(I) The Company's 2020 Business Report and Financial Statements.

(II) The Company's 2020 Earnings Distribution.

III. Discussions:

(I) Amendments to the "Articles of Incorporation".

(II) Amendments to the "Rules of Procedure for Shareholders' Meeting".

IV. Other Proposals:

Lifting of non-compete restrictions for directors.

V. Extempore Motions:

VI. Adjournment

I. Announcements

- (I) To report on the Company's 2020 Business Report.

Explanation: Please refer to Attachment I on Pages 8-11 of the Handbook for the 2020 business report.

- (II) To report on the 2020 Audit Committee's Review Report.

Explanation: Please refer to Attachment II on Page 12 of the Handbook for the Audit Committee's review report.

- (III) To report on the 2020 Employees' and Directors' Remuneration Distribution Report.

Explanation: As approved by the 7th meeting of the 11th Board of Directors on Mar. 26, 2021, NT\$33,222,673 will be allocated for employees' compensation, and NT\$16,611,337 will be allocated for Directors' remuneration, accounting for 4% and 2% of the 2020 annual profit respectively, which will be distributed in cash.

- (IV) Other Matters:

1. The Company's Endorsement/Guarantee for Others:

As of Dec. 31, 2020, the Company's endorsement/guarantee for Kindom Development Co., Ltd. is NT\$14,192,000.

2. Formulation of the Company's Procedures for Ethical Management and Guidelines for Conduct:

To implement the policy of ethical management and prevent the dishonesty behavior actively, the "Procedures for Ethical Management and Guidelines for Conduct" is hereby revised in accordance with the Company's "Ethical Corporate Management Best Practice Principles" and letter No. 1090002299 issued by Taiwan Stock Exchange Corporation on Feb. 13, 2020. Please refer to Attachment III on Page 13-21 of the Handbook.

II. Proposals

Proposal 1

Proposed by the Board of Directors

Proposal: To adopt the Company's 2020 Business Report and Financial Statements.

Explanation:

- I. The Company's 2020 consolidated and individual balance sheets, statements of comprehensive income, statements of changes in equity and statements of cash flows have been prepared and audited by certified public accountants, Yi-Lien Han and Ti-Nuan Chien of KPMG, and submitted to the annual shareholders' meeting in accordance with the law along with the business report, which has been reviewed by the Audit Committee.
- II. Please refer to Attachment I on Pages 8-11 and Attachment IV on Page 22-37 of the Handbook for the 2020 business report, independent auditors' report and the above financial statements.
- III. Request for ratification.

Resolution:

Proposal 2

Proposed by the Board of Directors

Proposal: To adopt the proposal for 2020 Earnings Distribution.

Explanation:

- I. This proposal has been approved by the 7th meeting of the 11th Board of Directors on Mar. 26, 2021.
- II. The Company's undistributed earnings at the beginning of the year of 2020 was NT\$435,786,011, plus changes in remeasurements of defined benefit plans for the period of NT\$1,268,228, and the net income after tax for 2020 of NT\$ 626,440,183. The distributable net profit for the current period was NT\$1,063,494,422. After appropriation of legal capital reserve of 62,770,841, it is proposed that NT\$381,728,376 be allocated as bonus for shareholders, which will be distributed in cash

and round down to NT\$1, the aggregated amount of bonus less than NT\$1 will be included as other income for the Company.

III. After the case has been approved by the annual shareholders' meeting, the Board of Directors will be authorized to stipulate the ex-dividend date and other related matters.

IV. Please refer to Attachment V on Page 38 of the Handbook for the 2020 Earnings Distribution.

V. Request for ratification.

Resolution:

III. Discussions:

Proposal 1

Proposed by the Board of Directors

Proposal: To discuss the Amendments to the Company's Articles of Incorporation.

Explanation:

- I. Part of "Articles of Incorporation" was particularly revised, in order to meet the Company's actual business needs. For the comparison table before and after revision, please see the Attachment VI on Page 39-40 of the Handbook.
- II. Request for resolution.

Resolution:

Proposal 2

Proposed by the Board of Directors

Proposal: To discuss the proposal for the Amendments to the Company's Rules of Procedure for Shareholders' Meetings.

Explanation:

- I. Part of "Rules of Procedure for Shareholders' Meetings" was revised in accordance with Letter No. 1100001446 issued by Taiwan Stock Exchange Corporation on Jan. 28, 2021. For the comparison table before and after revision, please see the Attachment VII on Page 41 of the Handbook.
- II. Request for resolution.

Resolution:

IV. Other Matters:

Proposal 1
Directors

Proposed by the Board of

Proposal: To adopt the proposal for lifting of non-compete restrictions for Directors.

Explanation:

- I. According to Article 209 of the Company Act, "A Director who does anything within the scope of the Company's business for oneself or on behalf of another person shall explain to the shareholders at the shareholders meeting on the essential contents of such an act and secure their approval."
- II. The company director Shih-Hsuan Chou, on behalf of the representative of Guanqing Electromechanical Co., Ltd., is elected as the director of director of Dingtian Construction Co., Ltd., and it is proposed that his non-competition restrictions is lifted.
- III. Request for resolution.

Resolution:

V. Extempore Motions

VI. Adjournment

Attachment I

2020 Business Report

I. Operating Directives

With a focus on the business idea of “honesty, quality, service, innovation and sustainability”, the Company has highlighted practical operation and developed business comprehensively; introduced more modern, delicate and information-based construction method systematically and integrated and improved construction management process with technical tools, so as to make sure the unified purchase resources for key material are allocated, to give play to the occasions of price restraint by quantity and judgment; construction item contract awarding is flexibly integrated and analyzed in order to master contractor’s resources and conform to the requirements for construction period; innovation method is continuously improved and developed, so as to provide higher-value services for owner and lead contractor to improve technology.

With the goal to undertake the project bid with high-technical content and high- value added, the Company adopted the strategies of diversified contracting and medium and long-term business layout and accelerated the development of intelligent construction technology. In 2021, our business will mainly focus on the needs such as hi-tech plant expansion and increase and development of government’s track economy, which is in favor of the layout of short and medium-term bid stocks and future performance kinetic energy. Our management team will maintain the Company’s brand and goodwill by creating the mode of mutual benefit and cooperative development and try to develop towards the goal that construction project becomes our leading and sustainable business.

II. Operation summary

Facing the harsh situation of financial market turbulence and stagnation of economic activities from the outbreak of COVID-19 at the beginning of 2020, different countries launched large incentive financial and monetary policies in succession; global overall economy got depressed and overseas market demand was weak, which lasted until the second half of the year when economy was recovered slowly. The aforesaid slack international monetary policy also gave rise to the price rise of raw material, which, furthermore, drove the price of domestic main bulk construction material (e.g. steel bar, concrete and template)

to go up, and besides the factor such as plant expansion due to capacity upgrading demand of large technology enterprise, domestic overall construction cost increased by three times continuously, and part of constructors decreased project quantity and developed toward land development and commercial utilization.

The Company responded to the short-term scheduling impact of workers and materials through the policies such as purchase flexibility and contract awarding split. In light of the fact that bid evaluation and commencement of works tend to be cautious and conservative, the Company, besides finishing the existing projects, tried to win the bids of building, road and bridge projects with highly competitive advantages, expanded the project resources of rail, tunnel and cutting-edge technology plant, so as to create new performance and improved our value.

III. Results of Operation:

In 2020, we contracted 27 projects totally, with the amount of NT\$ 520 billion. In particular, the newly contracted or signed projects included Overpass and Plane Road Project of C611 bid Planned Chiayi Railway, TSMC F18P6 FAB Project and Construction Project of Kindom LG08 MRT Joint Developed Residential Building, with the amount of NT\$ 16.5 billion; the projects having undergone completion settlement included Kindom Tai-Jing, Kindom Tai-Ji, Kindom Chungzindian and TSMC F18P3 CUP Project, with the amount of NT\$ 7.8 billion. The consolidated operating income recognized based on the full-process operation progress of existing projects was NT\$ 14.131 billion in 2020, with a growth of NT\$ 2.669 billion compared with the number NT\$ 11.462 billion in 2019 (growth rate: 23.3%). The consolidated net profits were NT\$ 626 million during this period, with a growth of NT\$ 224 million compared with the number NT\$ 402 in 2019 (growth rate: 55.69%).

As of February 2021, there are 21 on-going projects, ten residential and commercial office building projects including Kindom Wenhua and Kindom Roosevelt, three civil projects (C712A bid, C212 bid and C611 bid) and 11 indicative construction and construction of high-tech plants including the turnkey project Taipei Veterans General Hospital, the first phase of Kaohsiung Municipal Feng-Shan Hospital, the turnkey project Baogao Smart Industrial Park, the turnkey project of reconstruction of Nanmen Market, the turnkey project of Taoyuan Convention and Exhibition Center and TSMC F18P6 FAB, with the total amount of NT\$ 44 billion or so.

IV. Financial Position and Profitability Analysis

Items included in the consolidated operating revenue in 2020 include construction revenues and non-operating income, totaling NT\$ 14.161 billion, with a growth of 23.2% compared with that of 2019. Among them, the proportion of construction revenues is based on the progress of construction and steady investment to achieve the goal of stable revenue scale. The total of consolidated operating expenses for 2020 is NT\$ 13.379 billion, including construction costs, operating expenses, and non-operating expenses, with a growth of 21.69% compared with that of 2019. Apart from the fact that the construction costs increase as the scale of the construction increases, for operating expenses, the increase in employee welfare expenses due to the increase in operating income and the number of employees and the increase in expenses (e.g. operation demand) are all major reasons for the increase in operating expenses from the previous period.

Upon the increase of single scale and total performance of projects we undertake and scheduled receipt of funds (e.g. advance payment) as per contract and supplementation of working capital, in 2020, the consolidated net cash inflow from operating activities was NT\$ 1.986 billion and consolidated net cash outflow from investment and financing activities was NT\$ 404 million, realizing a net inflow of NT\$ 1.582 billion compared with cash flow of 2019. In 2020, the return on assets (ROA) was 7.10%, return on equity (ROE) was 21.65% and consolidated earnings per share (EPR) was NT\$ 5.91. All those reflect the operation result is better than that of 2019.

V. Development Research and Future Outlook

Under the impact of COVID-19 in 2020, we optimized various application functions of remote coloration platform successively and intensified relevant protection system to ensure the risk management of assets safety; besides, we further developed the measurements and image applications including construction process research and improvement, BIM technical platform and 3D aerial image.

Focused on the intelligent technology and innovation application development by building leading business and deepening core competitiveness, we will try to achieve the Group's blueprint goal of sustainable strategy, advance steadily based on the four business polices such as "intensifying

corporate governance”, “implementing internal control system”, “integrating group resources” and “participating in social public welfare” and build the sustainable strategy blueprint through “green homeland”, “smart city” and “happy society”; lower influence of buildings on environment by means of innovative technology, undertake the social responsibility of caring local and weak groups continuously and develop towards the goal of sustainability; perform responsibilities of enterprise and shareholder and create a better future.

Chairman: Ai-Wei, Yuan

Manager: Hui-Jen, Huang

Chief Accounting Officer: Li-Ya, Chen

Attachment II

Audit Committee's Review Report of Kedge Construction Co., Ltd.

Approval for

The Board of Directors have submitted the finished 2020 Financial Statements, which have been audited by certified public accountants, Yi-Lien Han and Ti-Nuan Chien of KPMG, and Business Report and Earnings Distribution to Audit Committee. We hereby respectfully prepare and present this Report in accordance with Article 14-4 of Securities and Exchange Law and Article 219 of The Company Act for your review.

To

2021 Annual General Shareholders' Meeting of Kedge Construction Co., Ltd.

Convener of Audit Committee: Hung-Chin Huang

March 26, 2021

Attachment III

Kedge Construction Co., Ltd.

Procedures for Ethical Management and Guidelines for Conduct

- Article 1 (Purpose of adoption and scope of application)
The Company engages in commercial activities based the principles of fairness, honesty, faithfulness, and transparency, and in order to implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct are adopted pursuant to the provisions of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies”, with a view to providing all personnel of the Company with clear directions for the performance of their duties.
The scope of application of these Procedures and Guidelines includes the subsidiaries of the Company, any incorporated foundation in which the Company's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by the Company.
- Article 2 (Eligibility)
For the purposes of these Procedures and Guidelines, the term "personnel of this Corporation" refers to any director, supervisor, managerial officer, employee, mandatary or person having substantial control, of this Corporation or its group enterprises and organizations.
Any provision, promise, request, or acceptance of improper benefits by any of the Company's personnel through a third party will be presumed to be an act by the Company's personnel.
- Article 3 (Unethical conduct)
For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.
Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and its directors, supervisors , managers, employees, persons with substantial control or other stakeholders.
- Article 4 (Types of benefits)
For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.
- Article 5 (Responsible unit)
The Company designates the ethical management as the solely responsible unit (hereinafter, “responsible unit”) under the board of directors which shall avail

itself of adequate resources and staff itself with competent personnel, and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Code, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports to the board of directors:

- I. Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate preventive measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
- II. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the operations and business.
- III. Plan internal organization, structure, and allocation of responsibilities. Set up mutual supervision and checks-and-balance mechanisms for operating activities within the business scope that are at high risk of unethical conduct.
- IV. Promoting and coordinating awareness and educational activities with respect to ethics policy.
- V. Developing a whistle-blowing system and ensuring its operating effectiveness.
- VI. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
- VII. Compile documented information on the ethical management policy, statement, commitment and implementation and retain said information properly.

The integrity operation team is chaired by the Auditing Department with meeting procedures, organization membership and implementation measures, which are further regulated.

Article 6 (Prohibition against providing or accepting improper benefits)

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

- I. Based on business needs, local courtesies, customs, and habits should be followed during domestic/foreign visits, guest-hosting, and promoting business and communication.
- II. Normal social events attended or held and inviting others based on social etiquette, business purposes, or improving relationships.

- III. Inviting guests or being invited to participate in specific business activities or factory tours due to business needs. Fees and payment methods for such activities shall be clearly stated before the event, including the number of participants, level of accommodation, and duration, etc.
- IV. Attendance at folk festivals that are openly-held and invite the attendance of the general public.
- V. Rewards, emergency assistance, condolence payments, or honorariums of the management.
- VI. Property received due to engagement, marriage, maternity, relocation, assumption of a position, promotion, retirement, resignation, severance; or the injury, illness, or death of the recipient or the recipient's spouse, or lineal relative.
- VII. Other conduct that complies with the rules of the Company.

Article 7 (Procedures for Handling Improper Benefits)

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

- I. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
- II. If there is a relationship of interest between the party offering or promising the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to their immediate supervisor and notify the dedicated unit. When the benefit cannot be returned, the personnel shall refer the matter to the responsible unit within three days after accepting the benefit for further action

"A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

- I. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
- II. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
- III. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The dedicated unit of the Company shall submit a proposal for refund to the Chairman.

Article 8 (Prohibition of and handling procedure for facilitating payments)

The Company shall neither provide nor promise any facilitating payment.

Personnel of the Company who provide or promise bribes because of threats or intimidation shall record the process and report to their direct supervisor as well as notify the Company's dedicated unit.

Upon the receipt of the report under the preceding paragraph, the responsible unit shall take immediate action with three days and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 9 (Procedures for handling political contributions)

Political contributions by the Company shall be made in accordance with the following provisions, reported to the supervisor in charge for approval, and a notification given to the responsible unit, and when the amount of a contribution is NT\$3,000,000 or more, it shall be made only after being reported to and approved by the board of directors:

- I. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country, including...providing the maximum amount and form of political contribution.
- II. A written record of the decision shall be made.
- III. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
- IV. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the Company with the related government agencies shall be avoided.

Article 10 (Avoiding conflicts of interest)

In the event of an agenda item representing a conflict of interest for a director, manager or any other interested person attending board meeting or attending as a nonvoting delegate, he or she shall disclose the conflict at the current meeting and refrain from discussion or vote on the matter. He or she shall be recused during discussion or vote on the matter and shall not exercise the right to vote on behalf of any other directors of the Board. Directors shall also exercise self-discipline and must not support one another in improper dealings.

Where the spouse, a relative within the second degree of kinship of a Director, or any company which has a controlling or subordinate relation with a Director has interests in the matters under discussion in the meeting of the preceding paragraph, the director shall be deemed to have a personal interest in the matter. If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

Article 11 (Special unit in charge of confidentiality regime and its responsibilities)

All departments and divisions of the Company shall pay attention to the management, preservation, and confidentiality of the Company's business secrets, trademarks, patents, works, and other intellectual property with the scope of own duties. They shall not disclose the Company's business secrets

they know to others, nor shall they seek or collect the Company's business secrets unrelated to their individual duties.

The Company's employees shall strictly comply with operating rules associated with intellectual property. They shall not disclose the Company's trade secrets, trademark, patent, copyrights, and other intellectual properties to others, nor inquire about or collect FET's trade secrets, trademark, patent, copyrights, and other intellectual properties unrelated to their duties.

Article 12 (Prohibition of engaging in unfair competition behaviors)

The Company engages in business activities pursuant to the Fair Trade Act and relevant competition laws and regulations.

Article 13 (Prohibition against insider trading)

This Corporation shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of this Corporation to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

This Corporation shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

The responsible unit shall report the aforesaid situation and its treatment method and subsequent inspection and any proposed improvements to BOD.

Article 14 (Prohibition of insider trading and non-disclosure agreement)

All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Such personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other parties from using such information to engage in insider trading.

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

Article 15 (Compliance and declaration of ethical management policy)

Merry shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Company shall disclose its ethical business policy in internal regulations, annual reports, the corporate website and other promotional materials, and publicized its ethical business policy in external activities (e.g. product launch

conference and investor conference presentation), so as to help suppliers, customers, other agencies and personnel understand the ethical management concept and rules clearly.

Article 16 (Evaluation of ethical management prior to development of business relationships)

Before establishing a business relationship with others, the Company shall evaluate the legality and ethical management policies of its agents, suppliers, customers and other business partners and ascertain whether they have a record of involvement in unethical conduct, in order to ensure that they conduct business in a fair and transparent manner and do not request, offer, or take bribes.

When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

- I. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
- II. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
- III. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contribution in retrieval system of court of judiciary within one year.

Article 17 (Statement of ethical management policy to counterparties in commercial dealings)

All personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 18 (Avoidance of commercial dealings with unethical operators)

All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

Article 19 (Stipulation of terms of ethical management in contracts)

Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall include the observance of the ethical management policy of the Company in the terms and conditions of the contract, stipulating at the least the following matters:

- I. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim from the other party damage compensation, and may also deduct the full amount of the damages from the contract price payable.
- II. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
- III. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 20 (Handling of unethical conduct by personnel of this Corporation)

The Company encourages insiders and outsiders for informing unethical or unseemly conduct. However, insiders making a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

This Corporation shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports.

The following information must be provided by the whistleblower:

- I. The whistleblower's name, I.D. number, (or anonymous compliant) and an address, telephone number and e-mail address where it can be reached.
- II. The informed party's name or other information sufficient to distinguish its identifying features.
- III. Specific facts available for investigation.

The Company's relevant personnel who treat report affairs shall state in writing that they shall keep confidential the whistleblower's identity and reported contents. The Company further commits it will protect the whistleblower from improper treatment due to his or her whistle-blowing.

The responsible unit of this Corporation shall observe the following procedure:

- I. Reporting matters involving general employees should be reported to the direct supervisor. Reporting matters involving directors or senior executive should be reported to Independent Directors.
- II. The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.

- III. If a person is verified violating the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will dispute the case to competent authority or judicial authority or claim damage compensation by legal proceedings, so as to safeguard our reputation and rights and interests.
- IV. Documentation of case acceptance, investigation processes and investigation results shall be retained for 5 years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
- V. With respect to a confirmed information, Merry shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
- VI. The responsible unit shall report the whistle-blowing and its treatment method and subsequent inspection and any proposed improvements to BOD.

Article 21 (Actions upon event of unethical conduct by others towards this Corporation)
 If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

Article 22 (Internal promotion, establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)
 The responsible unit shall hold regular internal publicity to convey the importance of integrity to chairman, general manager, senior managers, employees and agents.
 The Company should include ethical manage in employee performance assessment and HR policy and establish explicit and valid rewards and punishments and appeal systems.
 If any personnel of the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company
 The Company shall disclose on its intranet the information such as title, name and punishment of the person who breaks principle of good faith.

Article 23 (Enforcement)
 These Procedures and Code, and any amendments hereto, shall be implemented after adoption by resolution of Audit Committee and the board of directors, and reported to the board of shareholders.
 When the company submits these Procedures and Code to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any

objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

Article 24 These Procedures and Code were established on Mar. 26, 2021.

Attachment IV

Independent Auditors' Report

To the Board of Directors of Kedge Construction Co., Ltd.:

Audit Opinion

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

In our opinion, the aforementioned Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of Kedge Construction Co., Ltd. as of December 31, 2020, and 2019, and its consolidated financial performance and consolidated cash flows for the annual periods ended December 31, 2020, and 2019 in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and effected by the Financial Supervisory Commission.

Foundation of Audit Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards. Our responsibility under those standards will be further described in the section titled Auditor's Responsibilities for the Audit of the Consolidated Financial Statements. Following the code of professional ethics of accountants, the persons subject to the independence standards of our affiliated accounting firm have maintained their independence from the Kedge Group and fulfilled other responsibilities of the standards. We are convinced that we have acquired enough and appropriate audit evidence to serve as the foundation of the audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2020 consolidated financial statements of Kedge Construction Co., Ltd. and its subsidiaries. These matters were addressed in our audit of the consolidated financial report as a whole and forming our audit opinion. We do not express a separate opinion on these matters. In our judgment, key audit matters that shall be communicated in the audit report are as follows:

I. Construction Contracts

For accounting policies regarding construction contracts, please refer to Note 4 (13) of the Consolidated Financial Statements for revenue recognition. For accounting estimates and hypothetical uncertainties of estimated total contract costs for construction contracts, please refer to Note 5 of the Consolidated Financial Statements. For details of revenue recognition, please refer to Note 6 (15) of the Consolidated Financial Statements for revenue from customer contracts.

Description of Key Audit Matters:

The change of the total contract price of the construction contracts, such as the addition and reduction of the construction and the price index subsidy, involves a high degree of judgment by management. The miscalculation of gross contract revenue may cause material changes in profit and loss during the financial reporting period, and therefore there are significant risks. Also, the Kedge Group recognizes the revenue and cost of contracts under construction according to the percentage of completion method, while the degree of completion is calculated based on the proportion of the incurred contract cost to the estimated total contract cost as of the financial reporting date. The total cost of the construction contracts involves a high degree of estimation and judgment of the management, and the miscalculations disclosed above may cause significant differences in the timing of recognition for profit and loss and the current financial statements.

Corresponding Audit Procedures:

Our main audit procedures regarding the aforementioned key audit matters included the following:

- Test the internal control and implementation effectiveness of the contract and collection; obtain the detail list of addition and reduction of the total contract price of each construction for the current period; randomly check the external documents such as the contract, agreement, owner's communication or site coordination meeting minutes, as well as the valuation information of each period the condition of the owner's acceptance.
- Test and evaluate the effectiveness of the internal control system and implementation of procurement contracting and construction budgeting operations; randomly check external documents such as construction price lists, contracts, daily construction reports, invoices, and construction budgets, and check with construction budgets to verify the appropriateness of collection and accumulation of the construction type; randomly evaluate the preparation process of the construction budget of the management team and checks the pricing information of each period to calculate the percentage of completion of the construction; randomly check and execute the cut-off point test of the construction in progress for the period before and after the balance sheet date.

Other Matters

Kedge Construction Co., Ltd. has also compiled Individual Financial Statements for 2020 and 2019, and they have also received an unqualified audit opinion from our CPA for your reference.

Responsibilities of the Management and Governing Body for the Consolidated Financial Statements

It is the management's responsibility to fairly present the consolidated financial statements in compliance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations and Interpretation Announcements endorsed and released effective by the Financial Supervisory Commission (FSC) and to sustain essential internal controls respecting the preparation of the consolidated financial statements so as to ensure that there is no material misrepresentation in the consolidated financial statements due to fraud or error.

In the preparation of the consolidated financial statements, the responsibility of management also includes the assessment of the sustainability of the Kedge Group, disclosure of relevant matters, as well as the adoption of the accounting base for continuing operations, unless the management intends to liquidate the Kedge Group or terminate the business, or there is no practicable measure other than liquidation or termination of the business.

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

prepared.

Auditor's Responsibility for Auditing Consolidated Financial Statements

The purpose of our audit of the consolidated financial statements is to obtain reasonable assurance as to whether the consolidated financial statements as a whole contains any material untruthful expression that may lead to fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high degree of assurance but is not a guarantee that an audit conducted in accordance with the Generally Accepted Auditing Standards will always detect the existence of any material misrepresentation in the consolidated financial statements. Misrepresentation may be due to fraud or error. It is considered to be material if the misrepresented individual amount or the aggregated total can be reasonably expected to affect the economic decisions made by the users of the consolidated financial statements.

When auditing in accordance with Generally Accepted Auditing Standards, we practice professional judgment and maintains professional suspicion. We also perform the following tasks:

1. Identify and assess the risks of material misrepresentation in the consolidated financial statements due to fraud or error; Design and implement applicable countermeasures for the assessed risks, as well as obtain sufficient and appropriate audit evidence as to the basis of audit opinions. Because fraud may involve collusion, forgery, intentional omission, untrue declaration or the override of internal control, the risk of not detecting the material misrepresentation caused by fraud is higher than that caused by the error.
2. To acquire the necessary understanding of internal control relevant to audit so as to design appropriate audit procedures under the circumstances, but its purpose is not to express opinions on the effectiveness of internal control of the Kedge Group.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.
4. Based on the audit evidence obtained, conclude on the appropriateness of the accounting base for continuing operations adopted by the management and whether there is a material uncertainty in the events or circumstances that may cause material doubts about the sustainability of the Kedge Group for continuing operations. If we believe that there is a material uncertainty in such events or circumstances, we shall remind the users of the consolidated financial statements to pay attention to the relevant disclosure of the consolidated financial statements in the audit report or we shall amend the audit opinion when such disclosure is inadequate. Our conclusions are based on the audit evidence obtained as of the date of our auditor's report. However, future events or circumstances may result in the Kedge Group no longer having the ability to going concerned.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements fairly represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the Group to express opinions on the consolidated financial statements. We are responsible for the guidance, supervision, and implementation of the Group's audit cases, and for forming the Group's audit opinions.

The matters we communicate with the governance body include the planned audit scope and time, as well as material audit findings (including a significant lack of internal control identified in the audit process).

We also provide the governance body with a declaration that the persons subject to the independence standards of our affiliated accounting firm have complied with the code of professional ethics of accountants, and communicate with the governance body all relations and other matters (including relevant protective measures) that may affect the independence of CPAs.

From the matters communicated with those charged with governance, we determined the key audit matters of the consolidated financial statements of Kedge Group of 2020. We state such matters in the audit report unless the law or regulation does not allow public disclosure of specific matters. Or in rare circumstances, we determine not to communicate specific matters in the audit report due to the reasonable probability that the negative impact of such communication is greater than the public interest.

KPMG

Taipei, Taiwan

Republic of China

March 26, 2021

Notices to Readers

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

The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

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

KEDGE CONSTRUCTION CO., LTD. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2020, and 2019

Unit: NT\$ thousand

		<u>2020.12.31</u>		<u>2019.12.31</u>				<u>2020.12.31</u>		<u>2019.12.31</u>	
Assets		Amount	%	Amount	%	Liabilities and equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents	\$ 4,108,192	44	2,526,409	31	2100	Short-term loans	\$ 150,000	2	150,000	2
1110	Financial assets at fair value through profit or loss - current	44,039	-	74,118	1	2130	Contract liabilities - current	1,525,341	16	988,111	12
1140	Current contract assets	1,441,162	16	1,594,708	19	2150	Notes payable	335,247	3	361,911	4
1170	Notes and accounts receivable, net	939,444	10	1,127,588	14	2170	Accounts payable	3,749,899	40	3,599,351	43
1180	Notes and accounts receivable - related-parties, net	1,888,856	20	1,913,375	23	2200	Other payables	315,681	3	258,940	3
1410	Prepayments	93,656	1	205,683	2	2230	Current tax liabilities	118,771	1	50,362	1
1470	Other current assets	35,855	-	22,524	1	2300	Other current liabilities	7,110	-	18,850	-
1476	Other financial assets - current	201,785	2	243,636	3			<u>6,202,049</u>	<u>65</u>	<u>5,427,525</u>	<u>65</u>
		<u>8,752,989</u>	<u>93</u>	<u>7,708,041</u>	<u>94</u>	Non-current liabilities:					
Non-current assets:						2552	Warranty long-term provisions	150,363	2	102,482	1
1550	Investments accounted for using equity method	20,507	-	20,506	-	2600	Other non-current liabilities	11,966	-	5,719	-
1517	Financial assets at fair value through other comprehensive income - non-current	363,370	4	344,872	4			<u>162,329</u>	<u>2</u>	<u>108,201</u>	<u>1</u>
1600	Property, plant and equipment	133,739	2	63,116	1	Total liabilities		<u>6,364,378</u>	<u>67</u>	<u>5,535,726</u>	<u>66</u>
1755	Right-of-use assets	11,768	-	4,393	-	Equity attributable to owners of the parent company:					
1760	Investment property	102,077	1	102,544	1	3100	Share capital	1,060,357	11	1,060,357	13
1840	Deferred tax assets	34,635	-	24,060	-	3200	Capital surplus	518,294	6	518,241	6
1975	Defined benefit assets, net - non-current	3,400	-	1,361	-	3300	Retained earnings	1,345,805	14	1,036,204	13
1980	Other financial assets- non-current	11,171	-	7,955	-	3400	Other equity interest	144,653	2	126,159	2
		680,667	7	568,807	6		Total equity attributable to owners of the parent company	<u>3,069,109</u>	<u>33</u>	<u>2,740,961</u>	<u>34</u>
						36XX	Non-controlling interests	169	-	161	-
						Total equity		<u>3,069,278</u>	<u>33</u>	<u>2,741,122</u>	<u>34</u>
Total assets		\$ 9,433,656	100	8,276,848	100	Total liabilities and equity		\$ 9,433,656	100	8,276,848	100

KEDGE CONSTRUCTION CO., LTD. and Subsidiaries
Consolidated Statements of Comprehensive Income
From January 1 to December 31, 2020 and 2019

Unit: NT\$ thousand

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue	\$ 14,130,629	100	11,462,442	100
5000	Operating costs	13,072,318	93	10,744,281	94
	Gross profit	1,058,311	7	718,161	6
	Operating expenses:				
6200	General and administrative expenses	288,539	2	247,780	2
	Net Operating Profit	769,772	5	470,381	4
	Non-operating income and expenses:				
7100	Interest income	8,280	-	6,289	1
7010	Other income	22,315	-	18,346	-
7020	Other gains and losses	(15,167)	-	7,027	-
7050	Financial costs	(3,009)	-	(2,130)	-
7060	Share of profit and loss of associates and joint ventures accounted for using the equity method	1	-	1	-
		12,420	-	29,533	1
	Net income before tax from continuing operating department	782,192	5	499,914	5
7950	Less: Income tax expenses	155,748	1	97,558	1
	Net income	626,444	4	402,356	4
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans	1,268	-	907	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	18,498	-	123,011	1
8300	Other comprehensive income (net of taxes)	19,766	-	123,918	1
	Total Comprehensive Income	\$ 646,210	4	526,274	5
	Net income attributable to:				
	Owners of the parent company	\$ 626,440	4	402,348	4
8620	Non-controlling interests	4	-	8	-
		\$ 626,444	4	402,356	4
	Total comprehensive income attributable to:				
	Owners of the parent company	\$ 646,202	4	526,237	5
	Non-controlling interests	8	-	37	-
		\$ 646,210	4	526,274	5
	Earnings per share (NT\$)				
9750	Basic earnings per share (NT\$)	\$ 5.91		3.79	
9850	Diluted earnings per share (NT\$)	\$ 5.87		3.79	

KEDGE CONSTRUCTION CO., LTD. and Subsidiaries
Consolidated Statements of Changes in Equity
From January 1 to December 31, 2020 and 2019

Unit: NT\$ thousand

	Equity Attributable to the Owners of the Parent Company								
	Share Capital		Retained Earnings			Other equity interest	Total equity attributable to the owners of the parent company	Non-controlling interest	Total equity
	Common stock	Capital surplus	Legal reserve	Unappropriated earnings	Total	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income			
Balance as of January 1, 2019	\$ 1,060,357	518,208	201,235	749,821	951,056	3,177	2,532,798	124	2,532,922
Net income	-	-	-	402,348	402,348	-	402,348	8	402,356
Other Comprehensive Income	-	-	-	907	907	122,982	123,889	29	123,918
Total Comprehensive Income	-	-	-	403,255	403,255	122,982	526,237	37	526,274
Earnings appropriation and distribution:									
Provision for legal reserve	-	-	40,751	(40,751)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(318,107)	(318,107)	-	(318,107)	-	(318,107)
Unclaimed dividends after effective period	-	33	-	-	-	-	33	-	33
Balance as of December 31, 2019	1,060,357	518,241	241,986	794,218	1,036,204	126,159	2,740,961	161	2,741,122
Net income	-	-	-	626,440	626,440	-	626,440	4	626,444
Other Comprehensive Income	-	-	-	1,268	1,268	18,494	19,762	4	19,766
Total Comprehensive Income	-	-	-	627,708	627,708	18,494	646,202	8	646,210
Earnings appropriation and distribution:									
Provision for legal reserve	-	-	40,325	(40,325)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(318,107)	(318,107)	-	(318,107)	-	(318,107)
Unclaimed dividends after effective period	-	53	-	-	-	-	53	-	53
Balance as of December 31, 2020	\$ 1,060,357	518,294	282,311	1,063,494	1,345,805	144,653	3,069,109	169	3,069,278

KEDGE CONSTRUCTION CO., LTD. and Subsidiaries
Consolidated Statements of Cash Flows
From January 1 to December 31, 2020 and 2019

Unit: NT\$ thousand

	2020	2019
Cash flows from operating activities:		
Net income before tax	\$ 782,192	499,914
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	12,080	941
Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	6,095	(7,027)
Interest expense	3,009	2,130
Interest income	(8,280)	(6,289)
Dividend income	(18,131)	(12,870)
Share of profit of associates and joint ventures using equity method recognition	(1)	(1)
Total adjustments to reconcile profit (loss)	(5,228)	(23,116)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in financial instruments mandatorily measured at fair value through profit or loss	23,984	84
Decrease (increase) in contract assets	154,221	(384,984)
Decrease (Increase) in notes and accounts receivable	188,144	(370,327)
Notes and accounts receivable - decrease in related parties	24,519	723,273
Decrease (increase) in prepayments	112,027	(27,383)
Increase in other financial instruments - current	(13,331)	(1,793)
Decrease in other financial assets	41,886	98,707
Increase in non-current net defined benefit assets-	(2,040)	(1,361)
Total changes in operating assets	529,410	36,216
Changes in operating liabilities:		
Increase in contract liabilities	537,230	27,271
Decrease in notes payable	(26,664)	(33,013)
Increase in accounts payable	150,548	942,953
Increase in other payables	56,794	12,129
Increase in liability reserve	47,881	23,221
Decrease in other current liabilities	(13,777)	(4,317)
Increases in net defined benefit liabilities	1,268	852
Increase (decrease) in other non-current liabilities	830	(1,305)
Total changes in operating liabilities	754,110	967,791
Total changes in operating assets and liabilities	1,283,520	1,004,007
Total adjustments	1,278,292	980,891
Cash inflow generated from operations	2,060,484	1,480,805
Interests received	8,245	5,813
Dividends received	18,131	12,870
Interest payment	(3,009)	(2,130)
Income taxes paid	(97,914)	(137,046)
Net cash inflows generated from operating activities	1,985,937	1,360,312
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(80,717)	-
Decrease (increase) in other financial assets	(3,215)	1,287
Net cash outflows (inflows) generated from investing activities	(83,932)	1,287
Cash flows from financing activities:		
Increase in short-term loans	581,000	321,000
Decrease in short-term loans	(581,000)	(171,000)
Increase in short-term promissory notes payable	200,000	90,000
Decrease in short-term promissory notes payable	(200,000)	(90,000)
Repayment of lease principal amount	(2,115)	(120)
Cash dividend distribution	(318,107)	(318,107)
Net cash outflows generated from financing activities	(320,222)	(168,227)
Net increase in cash and cash equivalents	1,581,783	1,193,372
Opening balance of cash and cash equivalents of the period	2,526,409	1,333,037
Ending balance of cash and cash equivalents of the period	\$ 4,108,192	2,526,409

Independent Auditors' Report

To the Board of Directors of Kedge Construction Co., Ltd.:

Audit Opinion

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

In our opinion, the aforementioned parent company only financial statements in all material aspects are in compliance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and are sufficient to present the financial position of Kedge Construction Co., Ltd. as of December 31, 2020, and 2019, and its financial performance and cash flows for the year 2020 and 2019 from January 1, to December 31.

Foundation of Audit Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards. Our responsibility under those standards will be further described in the section titled "Auditor's Responsibilities for the Audit of Parent Company Only Financial Statements." Following the code of professional ethics of accountants, the persons subject to the independence standards of our accounting firm have maintained their independence from the Kedge Construction Co., Ltd. and fulfilled other responsibilities of the standards. We are convinced that we have acquired enough and appropriate audit evidence to serve as the foundation of the audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2020 individual financial statements of Kedge Construction Co., Ltd. These matters were addressed in our audit of parent company only financial statements as a whole and forming our audit opinion. We do not express a separate opinion on these matters. In our judgment, key audit matters that shall be communicated in the audit report are as follows:

I. Construction Contracts

Please refer to Note 4 (12) "revenue recognition" of the parent company only financial statements for details of the accounting policies related to the building contracts. Please refer to Note 5 of the parent company only financial statements for details of the accounting estimates and assumed uncertainties of estimated total contract cost of the building contracts. Please refer to Note 6 (15) "revenue of the client contracts" of the parent company only financial statements for details of revenue recognition and the accumulated cost incurred.

Description of Key Audit Matters:

The change of the total contract price of the construction contracts, such as the addition and reduction of the construction and the price index subsidy, involves a high degree of judgment by management. The miscalculation of gross contract revenue may cause material changes in profit and loss during the financial reporting period, and therefore there are significant risks. Also, Kedge Construction Co., Ltd. recognizes the revenue and cost of contracts under construction according to the percentage of completion method, while the degree of completion is calculated based on the proportion of the incurred contract cost to the estimated total contract cost as of the financial reporting date. The total cost of the construction contracts involves a high degree of estimation and judgment of the management, and the miscalculations disclosed above may cause significant differences in the timing of recognition for profit and loss and the current financial statements.

Corresponding Audit Procedures:

Our main audit procedures regarding the aforementioned key audit matters included the following:

- Test the internal control and implementation effectiveness of the contract and collection; obtain the detail list of addition and reduction of the total contract price of each construction for the current period; randomly check the external documents such as the contract, agreement, owner's communication or site coordination meeting minutes, as well as the valuation information of each period the condition of the owner's acceptance.
- Test and evaluate the effectiveness of the internal control system and implementation of procurement contracting and construction budgeting operations; randomly check external documents such as construction price lists, contracts, daily construction reports, invoices, and construction budgets, and check with construction budgets to verify the appropriateness of collection and accumulation of the construction type; randomly evaluate the preparation process of the construction budget of the management team and checks the pricing information of each period to calculate the percentage of completion of the construction; randomly check and execute the cut-off point test of the construction in progress for the period before and after the balance sheet date.

Responsibilities of the Management and Governing Body for the Parent Company Only Financial Statements

It is the management's responsibility to fairly present the parent company only financial statements in compliance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to sustain essential internal controls respecting the preparation of the parent company only financial statements so as to ensure that there is no material misrepresentation in the parent company only financial statements due to fraud or error.

In the preparation of the parent company only financial statements, the responsibility of management also includes the assessment of the sustainability of going concerned for Kedge Construction Co., Ltd., disclosure of relevant matters, as well as the adoption of the accounting base for continuing operations, unless the management intends to liquidate the Kedge Construction Co., Ltd. or terminate the business, or there is no practicable measure other than liquidation or termination of the business.

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

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

The purpose of our audit is to provide reasonable assurance that the parent company only financial statements as a whole do not contain material misrepresentation arising from fraud or errors, and to issue an independent auditors' report. Reasonable assurance is a high degree of assurance but is not a guarantee that an audit conducted in accordance with the Generally Accepted Auditing Standards will always detect the existence of any material misrepresentation in the parent company only financial statements. Misrepresentation may be due to fraud or error. It is considered to be material if the misrepresented individual amount or the aggregated total can be reasonably expected to affect the economic decisions made by the users of the parent company only financial statements.

When auditing in accordance with Generally Accepted Auditing Standards, we practice professional judgment and maintains professional suspicion. We also perform the following tasks:

1. Identify and assess the risks of material misrepresentation in the parent company only financial statements due to fraud or error; design and implement applicable countermeasures for the assessed risks, as well as obtaining sufficient and appropriate audit evidence as to the foundation of audit opinions. Because fraud may involve collusion, forgery, intentional omission, untrue declaration or the override of internal control, the risk of not detecting the material misrepresentation caused by fraud is higher than that caused by the error.
2. To acquire the necessary understanding of internal control relevant to audit so as to design appropriate audit procedures under the circumstances, but its purpose is not to express opinions on the effectiveness of internal control of Kedge Construction Co., Ltd.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.
4. Based on the audit evidence obtained, conclude on the appropriateness of the accounting base for continuing operations adopted by the management and whether there is a material uncertainty in the events or circumstances that may cause material doubts about the sustainability of going concerned for Kedge Construction Co., Ltd. If we believe that there is a material uncertainty in such events or circumstances, we shall remind the users of the parent company only financial statements to pay attention to the relevant disclosure of the parent company only financial statements in our auditor's report or we shall amend the audit opinion when such disclosure is inadequate. Our conclusions are based on the audit evidence obtained as of the date of our auditor's report. However, future events or circumstances may result in Kedge Construction Co., Ltd. no longer having the ability to going concerned.
5. Evaluate the overall presentation, structure, and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements fairly represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence for the financial information of the invested company adopting the equity method to express opinions on the parent company only financial statements. We are responsible for the guidance, supervision, and implementation of the audit cases, and for forming the audit opinions for Kedge Construction Co., Ltd.

The matters we communicate with the governance body include the planned audit scope and time, as well as material audit findings (including a significant lack of internal control identified in the audit process).

We also provide the governance body with a declaration that the persons subject to the independence standards of our affiliated accounting firm have complied with the code of professional ethics of accountants, and communicate with the governance body all relations and other matters (including relevant protective measures) that may affect the independence of CPAs.

From the matters communicated with those charged with governance, we determined the key audit matters of the parent company only financial statements of Kedge Construction Co., Ltd. of 2020. We state such matters in the audit report unless the law or regulation does not allow public disclosure of specific matters. Or in rare circumstances, we determine not to communicate specific matters in the audit report due to the reasonable probability that the negative impact of such communication is greater than the public interest.

KPMG

Taipei, Taiwan

Republic of China

March 26 2021

Notices to Readers

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

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

Kedge Construction Co., Ltd.
Balance Sheets
As of December 31, 2020, and 2019

Unit: NT\$ thousand

	2020.12.31		2019.12.31			2020.12.31				2019.12.31				
Assets	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%	Amount	%	
Current assets:						Liabilities and equity								
1100 Cash and cash equivalents	\$ 3,809,741	41	2,288,640	28	2100 Short-term loans	\$ 150,000	2	150,000	2					
1110 Financial assets at fair value through profit or loss - current	-	-	22,474	-	2130 Current contract liabilities	1,495,664	16	978,454	12					
1170 Notes and accounts receivable, net	939,444	10	1,127,588	15	2150 Notes payable	326,123	4	356,433	4					
1180 Notes and accounts receivable - related-parties, net	1,888,856	21	1,908,205	23	2170 Accounts payable	3,656,982	39	3,497,894	43					
1140 Current contract assets	1,419,467	15	1,555,198	19	2200 Other payables	310,826	3	253,702	3					
1410 Prepayments	91,505	1	202,562	2	2230 Current tax liabilities	117,200	1	47,929	1					
1470 Other current assets	34,485	-	20,579	-	2300 Other current liabilities	6,831	-	18,572	-					
1476 Other financial assets - current	201,775	2	243,552	4		<u>6,063,626</u>	<u>65</u>	<u>5,302,984</u>	<u>65</u>					
	<u>8,385,273</u>	<u>90</u>	<u>7,368,798</u>	<u>91</u>										
Non-current assets:						Non-current liabilities:								
1518 Equity instrument measured at fair value through other comprehensive income	16,825	-	15,950	-	2552 Warranty long-term provisions	149,369	2	101,321	1					
1550 Investments accounted for using equity method	605,247	7	573,005	7	2600 Other non-current liabilities	7,785	-	1,415	-					
1600 Property, plant and equipment	123,952	2	53,254	1		<u>157,154</u>	<u>2</u>	<u>102,736</u>	<u>1</u>					
1760 Investment property	102,077	1	102,544	1		<u>6,220,780</u>	<u>67</u>	<u>5,405,720</u>	<u>66</u>					
1755 Right-of-use assets	7,529	-	-	-										
1840 Deferred tax assets	34,416	-	23,814	-										
1975 Net defined benefit assets - non-current	3,400	-	1,361	-										
1980 Other financial assets - non-current	11,170	-	7,955	-										
	<u>904,616</u>	<u>10</u>	<u>777,883</u>	<u>9</u>										
Total assets	<u>\$ 9,289,889</u>	<u>100</u>	<u>8,146,681</u>	<u>100</u>										
						Total liabilities								
						Equity								
					3100 Share capital	1,060,357	11	1,060,357	13					
					3200 Capital surplus	518,294	6	518,241	6					
					3300 Retained earnings	1,345,805	14	1,036,204	13					
					3400 Other equity interest	144,653	2	126,159	2					
						<u>3,069,109</u>	<u>33</u>	<u>2,740,961</u>	<u>34</u>					
						Total equity								
						Total liabilities and equity								
						<u>\$ 9,289,889</u>				<u>100</u>				
						<u>8,146,681</u>				<u>100</u>				

Kedge Construction Co., Ltd.
Statements of Comprehensive Income
From January 1 to December 31, 2020 and 2019

Unit: NT\$ thousand

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue	\$ 14,103,408	100	11,362,618	100
5000	Operating costs	13,058,255	93	10,667,867	94
	Gross profit	<u>1,045,153</u>	<u>7</u>	<u>694,751</u>	<u>6</u>
	Operating expenses:				
6200	General and administrative expenses	274,682	2	234,713	2
	Net Operating Profit	<u>770,471</u>	<u>5</u>	<u>460,038</u>	<u>4</u>
	Non-operating income and expenses:				
7100	Interest income	7,591	-	5,540	-
7010	Other income	4,935	-	3,309	-
7020	Other gains and losses	(14,171)	-	4,723	-
7050	Financial costs	(2,934)	-	(2,053)	-
7070	Share of profit and loss of subsidiaries, associates and joint ventures accounted for using the equity method	14,622	-	23,586	-
		<u>10,043</u>	<u>-</u>	<u>35,105</u>	<u>-</u>
	Net income before tax from continuing operating department	780,514	5	495,143	4
7950	Less: Income tax expenses	154,074	1	92,795	1
	Net income	<u>626,440</u>	<u>4</u>	<u>402,348</u>	<u>3</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurements of defined benefit plans	1,268	-	907	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	18,494	-	122,982	1
		<u>19,762</u>	<u>-</u>	<u>123,889</u>	<u>1</u>
8300	Other comprehensive income(net of taxes)	19,762	-	123,889	1
	Total Comprehensive Income	<u><u>\$ 646,202</u></u>	<u><u>4</u></u>	<u><u>526,237</u></u>	<u><u>4</u></u>
	Earnings per share (NTD)				
9750	Basic earnings per share (NT\$)	<u><u>\$ 5.91</u></u>		<u><u>3.79</u></u>	
9850	Diluted earnings per share (NTD)	<u><u>\$ 5.87</u></u>		<u><u>3.79</u></u>	

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

Unit: NT\$ thousand

	Share Capital		Retained Earnings			Other equity interest		
	Common stock	Capital surplus	Legal reserve	Unappropriated earnings	Total	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income	Unrealized profit or loss of available-for-sale financial assets	Total equity
Balance as of January 1, 2019	\$ 1,060,357	518,208	201,235	749,821	951,056	3,177	-	2,532,798
Net income	-	-	-	402,348	402,348	-	-	402,348
Other Comprehensive Income	-	-	-	907	907	122,982	-	123,889
Total Comprehensive Income	-	-	-	403,255	403,255	122,982	-	526,237
Earnings appropriation and distribution:								
Provision for Legal reserve	-	-	40,751	(40,751)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(318,107)	(318,107)	-	-	(318,107)
Unclaimed dividends after effective period	-	33	-	-	-	-	-	33
Balance as of December 31, 2019	1,060,357	518,241	241,986	794,218	1,036,204	126,159	-	2,740,961
Net income	-	-	-	626,440	626,440	-	-	626,440
Other Comprehensive Income	-	-	-	1,268	1,268	18,494	-	19,762
Total Comprehensive Income	-	-	-	627,708	627,708	18,494	-	646,202
Earnings appropriation and distribution:								
Provision for Legal I reserve	-	-	40,325	(40,325)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(318,107)	(318,107)	-	-	(318,107)
Unclaimed dividends after effective period	-	53	-	-	-	-	-	53
Balance as of December 31, 2020	\$ 1,060,357	518,294	282,311	1,063,494	1,345,805	144,653	-	3,069,109

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

Unit: NT\$ thousand

	2020	2019
Cash flows from operating activities:		
Net income before tax	\$ 780,514	495,143
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	11,851	713
Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	5,099	(4,723)
Interest expense	2,934	2,053
Interest income	(7,591)	(5,540)
Dividend income	(750)	(500)
Share of profit of subsidiaries, associates and joint ventures using equity method recognition	(14,622)	(23,586)
Total adjustments to reconcile profit (loss)	<u>(3,079)</u>	<u>(31,583)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in financial instruments mandatorily measured at fair value through profit or loss	17,375	84
Decrease (Increase) in notes and accounts receivable	188,144	(389,968)
Notes and accounts receivable - decrease in related parties	19,349	718,104
Decrease (increase) in contract assets	136,407	(360,045)
Decrease (increase) in prepayments	111,057	(27,746)
Increase in other financial instruments - current	(13,906)	(2,636)
Decrease in other financial assets	41,885	98,665
Increase in non-current net defined benefit assets-	(2,039)	(1,361)
Total changes in operating assets	<u>498,272</u>	<u>35,097</u>
Changes in operating liabilities:		
Decrease in notes payable	(30,310)	(21,098)
Increase in accounts payable	159,088	959,187
Increase (decrease) in contract liabilities	517,210	(17,230)
Increase in other payables	57,177	12,452
Increase in liability reserve	48,048	23,281
Decrease in other current liabilities	(13,776)	(4,342)
Increases in net defined benefit liabilities	1,268	852
Increase (decrease) in other non-current liabilities	829	(1,304)
Total changes in operating liabilities	<u>739,534</u>	<u>951,798</u>
Total changes in operating assets and liabilities	<u>1,237,806</u>	<u>986,895</u>
Total adjustments	<u>1,234,727</u>	<u>955,312</u>
Cash inflow generated from operations	2,015,241	1,450,455
Interests received	7,482	5,138
Dividends received	750	500
Interest payment	(2,934)	(2,053)
Income taxes paid	(95,405)	(129,117)
Net cash inflows from operating activities	<u>1,925,134</u>	<u>1,324,923</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(80,717)	-
Decrease (increase) in other financial assets	(3,215)	1,286
Net cash outflows (inflows) from investing activities	<u>(83,932)</u>	<u>1,286</u>
Cash flows from financing activities:		
Increase in short-term loans	581,000	321,000
Decrease in short-term loans	(581,000)	(171,000)
Increase in short-term promissory notes payable	200,000	90,000
Decrease in short-term promissory notes payable	(200,000)	(90,000)
Repayment of lease principal amount	(1,994)	-
Cash dividend distribution	(318,107)	(318,107)
Net cash outflows from financing activities	<u>(320,101)</u>	<u>(168,107)</u>
Net increase in cash and cash equivalents	1,521,101	1,158,102
Opening balance of cash and cash equivalents of the period	2,288,640	1,130,538
Ending balance of cash and cash equivalents of the period	<u>\$ 3,809,741</u>	<u>2,288,640</u>

Attachment V

Kedge Construction Co., Ltd.

Earnings Distribution Table

2020

Unit: NT\$

Beginning balance of undistributed earnings	\$ 435,786,011
Add: Changes of remeasurements of defined benefit plans for the period	1,268,228
Add: Net income after tax	<u>626,440,183</u>
Distributable earnings	1,063,494,422
Less: Appropriation of legal reserve	(62,770,841)
Less: Allocation Items	
Shareholders' dividends – cash dividends (at NT\$3.6 per share)	<u>(381,728,376)</u>
Undistributed earnings at the end of the period	<u>\$ 618,995,205</u>

Note: Shareholder dividends are distributed primarily by the 2020 annual surplus.

Chairman: Ai-Wei, Yuan

Manager: Hui-Jen, Huang

Chief Accounting Officer: Li-Ya, Chen

Attachment VI

Kedge Construction Co., Ltd.

Comparison Table for the Amendments to Articles of Incorporation

Current Provision	After Amendment	After the Amendment
<p>Article 6 The Company's capital shall be set at NT\$1.2 billion, divided into 120 million shares with each share having a par value of NT\$10. The shares may be issued in installments at the discretion of the Board of Directors in accordance with the Company Act and other relevant laws and regulations.</p>	<p>Article 6 The Company's capital shall be set at NT\$1.2 billion, divided into 120 million shares with each share having a par value of NT\$10. The shares may be issued in installments at the discretion of the Board of Directors in accordance with the Company Act and other relevant laws and regulations. <u>Among the total capital in the preceding paragraph, 6 million shares are retained for the conversion of employee stock warrants, and the Board of Directors has been authorized to issue them in installments according to actualities and relevant laws and regulations and resolution. For an employee stock warrant that the subscription price is lower than the closing price of issuing common stocks of Japanese company, the Company shall not issue stocks without the special resolution of board of shareholders. In case of a transfer to any employee at a price that is lower than the average price of repurchased stocks, the Company, prior to the transfer, shall propose for a special resolution by recent session of board of shareholders. The objects which employee stock warrant is distributed to and objects which treasury stocks are transferred include employees of controlling or subsidiary company meeting conditions. The conditions and mode of the distribution shall be decided by the Board of Directors.</u></p>	<p>It is required to increase the amount and issuance mode of employee stock option in the capital on stock; increase the regulations regarding employee stock warrant in which closing price is lower than the closing price of issuing common stocks of Japanese company and the treasury stocks that are transferred to employee at a price lower than the average price of repurchased stocks.</p>
<p>Article 24 The Articles of Incorporation were concluded on Feb. 24, 1982. The 1st amendment was made on Jun. 13, 1986; the 2nd amendment was made on</p>	<p>Article 24 The Articles of Incorporation were concluded on Feb. 24, 1982. The 1st amendment was made on Jun. 13, 1986; the 2nd amendment was made on Jan.</p>	<p>Increase number of amendments and implementation date.</p>

Current Provision	After Amendment	After the Amendment
<p>Jan. 12, 1989; the 3rd amendment was made on Apr. 10, 1992; the 4th amendment was made on Feb. 14, 1994; the 5th amendment was made on May 2, 1994; the 6th amendment was made on May 2, 1994; the 7th amendment was made on Aug. 2, 1994; the 8th amendment was made on Nov. 12, 1994; the 9th amendment was made on May 20, 1995; the 10th amendment was made on Apr. 26, 1996; the 11th amendment was made on Nov. 22, 1996; the 12th amendment was made on Mar. 30, 1999; the 13th amendment was made on Apr. 18, 2000; the 14th amendment was made on Mar. 28, 2001; the 15th amendment was made on Jun. 14, 2002; the 16th amendment was made on Jun. 14, 2005; the 17th amendment was made on Jun. 13, 2007; the 18th amendment was made on Jun. 30, 2008; the 19th amendment was made on Jun. 19, 2009; the 20th amendment was made on Jun. 18, 2010; the 21st amendment was made on Jun. 15, 2011; the 22nd amendment was made on Mar. 19, 2012; the 23rd amendment was made on Jun. 17, 2013; the 24th amendment was made on Jun. 22, 2016; the 25th amendment was made on Jun. 17, 2019.</p> <p><u>The amended chapter description of Chapter IV, Article 15, Article 15-1, Article 16-1, Article 18, Article 19, Article 21 and Article 22 will come into force from the termination of office of the current directors and supervisors and the re-election in June 2020.</u></p>	<p>12, 1989; the 3rd amendment was made on Apr. 10, 1992; the 4th amendment was made on Feb. 14, 1994; the 5th amendment was made on May 2, 1994; the 6th amendment was made on May 2, 1994; the 7th amendment was made on Aug. 2, 1994; the 8th amendment was made on Nov. 12, 1994; the 9th amendment was made on May 20, 1995; the 10th amendment was made on Apr. 26, 1996; the 11th amendment was made on Nov. 22, 1996; the 12th amendment was made on Mar. 30, 1999; the 13th amendment was made on Apr. 18, 2000; the 14th amendment was made on Mar. 28, 2001; the 15th amendment was made on Jun. 14, 2002; the 16th amendment was made on Jun. 14, 2005; the 17th amendment was made on Jun. 13, 2007; the 18th amendment was made on Jun. 30, 2008; the 19th amendment was made on Jun. 19, 2009; the 20th amendment was made on Jun. 18, 2010; the 21st amendment was made on Jun. 15, 2011; the 22nd amendment was made on Mar. 19, 2012; the 23rd amendment was made on Jun. 17, 2013; the 24th amendment was made on Jun. 22, 2016; the 25th amendment was made on Jun. 17, 2019; <u>the 26th amendment was made on Jun., 2021.</u></p>	

Attachment VII

Kedge Construction Co., Ltd.

Comparison Table for the Amendments to Rules Governing the Proceedings of Shareholder Meetings

Current Provision	After Amendment	After the Amendment
<p>Article 8</p> <p>The chairperson shall announce the commencement of the meeting as soon as the appointed time arrives if those in attendance represent a majority of the Company's outstanding shares. However, if those in attendance represent less than half of the Company's outstanding shares, the chairperson may announce to postpone the meeting up to two times, for a period totaling no more than 1 hour. If the shareholders in attendance represent more than one-third but less than half of outstanding shares after two postponements, the shareholders in attendance may conclude "the resolution approved by them as a false resolution" according to Article 175, Paragraph 1 of the Company Act. However, for items requiring special resolution by the provisions of the Company Act, the resolution shall be made in accordance with the Company Act.</p> <p>Paragraph 2: Omitted.</p>	<p>Article 8</p> <p>The chairperson shall announce the commencement of the meeting <u>and relevant information such as non-voting shares and attending shares</u> no as soon as the appointed time arrives if those in attendance represent a majority of the Company's outstanding shares. However, if those in attendance represent less than half of the Company's outstanding shares, the chairperson may announce to postpone the meeting up to two times, for a period totaling no more than 1 hour. If the shareholders in attendance represent more than one-third but less than half of outstanding shares after two postponements, the shareholders in attendance may conclude "the resolution approved by them as a false resolution" according to Article 175, Paragraph 1 of the Company Act. However, for items requiring special resolution by the provisions of the Company Act, the resolution shall be made in accordance with the Company Act.</p> <p>Paragraph 2: Omitted.</p>	<p>Amended by Letter No. 1100001446 of Taiwan Stock Exchange Corporation on Jan. 28, 2021.</p>
<p>Article 21</p> <p>This amendment is made on Jun. <u>17, 2019.</u></p>	<p>Article 21</p> <p>This amendment is made on Jun. <u> </u>, <u>2021.</u></p>	<p>Revise date of the amendment.</p>

Appendix I

Kedge Construction Co., Ltd.

Rules of Procedures of the Shareholders' Meeting

- Article 1 The shareholders' meeting of Kedge Construction Co., Ltd. (hereinafter referred to as the company) shall be conducted in accordance with these rules.
- Article 2 Whenever these Rules of Procedure refer to Shareholders, they include the shareholders as well as any representative attending as their proxy.
- Article 3 The Company shall provide attending shareholders with an attendance book to sign in, or attending shareholders may submit attendance cards in lieu of signing in.
The number of shares represented during the meeting is calculated based on the amount of shares where voting rights are exercised in writing or through electronic means and the total amount of attendance cards collected.
When a juristic person is appointed to attend the shareholders' meeting, it may designate only one person to attend on its behalf.
- Article 4 The shareholder's meeting shall be convened at a location that is convenient for the company's shareholders to attend. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- Article 5 If a shareholders' meeting is convened by the Board of Directors, the meeting shall be presided over by the Chairman of the Board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairman shall act in place of the chairperson; if the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the directors to act as chair. Where the chairman does not make such a designation, the directors shall select from among themselves one person to act as chair.
If the shareholders' meeting is convened by any authorized party other than the Board of Directors, the shareholders' meeting shall be convened in accordance with Article 182-1 of the Company Act.
- Article 6 The Company may designate the appointed lawyer, accountant or related personnel to attend the shareholders' meeting.
Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
- Article 7 Entire proceedings of Shareholders' Meeting shall be recorded on audio or video tape and preserved for at least 1 year.

Article 8 The chair shall announce the commencement of the meeting as soon as the appointed time arrives if those in attendance represent a majority of the company's outstanding shares. However, if those in attendance represent less than half of the company's outstanding shares, the chair may announce to postpone the meeting up to two times, for a period totaling no more than one hour. If the shareholders in attendance represent more than one-third but less than half of outstanding shares after two postponements, the shareholders in attendance may reach a tentative resolution according to Article 175, Paragraph 1 of the Company Act. However, for items requiring special resolution by the provisions of the Company Act, the resolution shall be made in accordance with the Company Act.

When the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for the final resolution of the meeting to re-submit the tentative resolution in accordance with Article 174 of the Company Act.

Article 9 If the shareholders' meeting is convened by the board of directors, the agenda shall be set by the board of directors. The meeting shall be conducted in accordance with the scheduled agenda, and may not be changed without the resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.

After a meeting adjourned, shareholders may not elect another chair to continue the proceeding of the meeting at the same or a new place, provided that, if the chair declares the adjournment of the meeting in a manner in violation of the rules of procedure, a new chair may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceeding of the meeting.

Article 10 Shareholders who wish to speak during the meeting must produce an opinion slip detailing the topics and the shareholder's account number (or the account name). The order of shareholders' comments shall be determined by the chair.

A shareholder who has submitted a opinion slip but does not actually speak shall be deemed to have not spoken. If the contents of speech are inconsistent with the contents of opinion slip, the contents of speech shall prevail.

- Article 11 Each shareholder shall speak no more than twice, for five minutes each, on the same agenda item. However, the restriction does not apply to the provision of an explanation for a proposal or the answering of a question subject to the approval of the chair.
- Where a corporate shareholder has appointed two or more representatives to attend the shareholders' meeting, only one representative may speak per agenda item. The chair may stop shareholders from speaking if they exceed the time limit, speak for more than twice or speak outside the agenda item under discussion.
- When a shareholder attends the shareholders' meeting, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor. The chair shall stop any violation.
- Violators who do not obey the two preceding paragraphs where the chair is responsible to prevent are subject to Paragraph 2 of Article 18.
- Article 12 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- Article 13 When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.
- Article 14 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the company.
- Article 15 When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic transmission. A shareholder exercising voting rights by correspondence or electronic means shall be regarded as having personally attended the meeting. However, the shareholder shall be regarded as having forfeited voting rights for extraordinary motions or amendments to the original motion. Votes are determined by the number of shares. Unless otherwise regulated by the Company Act, an agenda item is passed when supported by shareholders who represent more than half of the total voting rights in the meeting. Each share is entitled to one voting right. Furthermore, according to Article 177 of the Company Act: "With the exception of trust enterprises and certain share administration agencies approved by the competent authority, a proxy may not represent more than 3% of total voting rights in aggregate when representing two or more shareholders during the meeting. Voting rights that exceed this threshold shall be excluded from calculation.
- The voting results shall be announced immediately at the meeting and recorded in the minutes.

- Article 16 In the event where amendments or substitutions are provided for in the same proposal, the chair may decide the order of the vote including the original proposal. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 17 The chair may put the meeting in recess at appropriate times. Where the agenda cannot be concluded in one meeting, a subsequent meeting may be held within 5 days by the resolution of the shareholders' meeting, no service of notice or public announcement is required. If an air alert happens during the meeting, the meeting shall be suspended. Attendees shall individually evacuate and continue to attend the meeting one hour after the alarm is all clear.
- Article 18 The chair may instruct pickets to help maintain order in the meeting. The picket shall wear armbands with "picket" when maintaining order.
Shareholders shall abide by the chair and pickets' command in maintaining order. The chair may instruct pickets to remove persons who continue disrupt the proceedings of the meeting despite being warned by the chair.
- Article 19 Matters not specified in these rules shall be subject to the provisions of the Company Act, the Model Codes of Meeting propagated by the Ministry of the Interior and the Articles of Association of the Company.
- Article 20 These rules shall take effect after approval by the shareholder meeting and the same procedure shall apply when they are amended.
- Article 21 This amendment was made on Jun. 17, 2019.

Appendix II

Kedge Construction Co., Ltd.

Articles of Incorporation

Chapter I General Principles

Article 1 The Company shall be organized in accordance with the regulations prescribed in the Company Act. The name of the Company is Kedge Construction Co., Ltd.

Article 2 The Company's business is as follows:

- (I) E101011 Synthesis Construction
- (II) H701010 Residence and Buildings Lease Construction and Development
- (III) H701020 Industrial Factory Buildings Lease Construction and Development
- (IV) H701040 Specialized Field Construction and Development
- (V) H701050 Public Works Construction and Investment
- (VI) H701060 New County and Community Construction and Investment
- (VII) H701070 Land Levy and Delimit
- (VIII) H701080 Reconstruction within the renewal area
- (IX) H701090 Renovation, or maintenance within the renewal area
- (X) H702010 Construction Management
- (XI) H703090 Real Estate Commerce
- (XII) H703100 Real Estate Rental and Leasing
- (XIII) H703110 Senior Citizen's Development
- (XIV) E401010 Dredge Engineering
- (XV) E402010 Ballast and Mud Construction on Sea
- (XVI) E604010 Machinery Installation Construction
- (XVII) E801010 Building Maintenance and Upholstery
- (XVIII) E801020 Doors and Windows Construction
- (XIX) E801030 Interior Light Rigid Frame Construction
- (XX) E801040 Glass Construction
- (XXI) E801070 Kitchen and Bath Facilities Construction
- (XXII) E901010 Painting Construction
- (XXIII) E903010 Eroding and Rusting Construction
- (XXIV) EZ02010 Derrick Construction
- (XXV) EZ03010 Furnace Installation Construction
- (XXVI) EZ05010 Apparatus Installation Construction
- (XXVII) EZ06010 Traffic Labels Construction
- (XXVIII) EZ07010 Drilling Construction
- (XXIX) EZ14010 Sports Ground Equipment Construction

- (XXX) EZ15010 Warming and Cooling Maintenance Construction
- (XXXI) EZ99990 Other Construction (XXXII) F113010 Wholesale of Machinery
- (XXXIII) F113090 Wholesale of Traffic Signal Equipment and Materials
- (XXXIV) F113100 Wholesale of Pollution Controlling Equipment
- (XXXV) F211010 Retail Sale of Building Materials
- (XXXVI) F213080 Retail Sale of Machinery and Equipment
- (XXXVII) F213090 Retail Sale of Traffic Signal Equipment and Materials
- (XXXVIII) I101070 Agriculture, Forestry, Fishing and Animal Husbandry Consultancy
- (XXXIX) I103060 Management Consulting Services
- (XXXX) I503010 Landscape and Interior Designing
- (XXXXI) I599990 Other Designing
- (XXXXII) IF01010 Fire Fighting Equipment Overhauling
- (XXXXIII) IF02010 Electricity Equipment Checking and Maintenance
- (XXXXIV) IF04010 Harmless Checking Services
- (XXXXV) J101010 Buildings Cleaning Service
- (XXXXVI) J101030 Waste disposal
- (XXXXVII) J101040 Waste treatment
- (XXXXVIII) J101050 Sanitary and Pollution Controlling Services
- (XXXXIX) J101060 Wastewater (Sewage) Treatment
- (XXXXX) J101080 Waste Recycling
- (XXXXXI) J101090 Waste Collecting and Disposing
- (XXXXXII) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The Company may invest in other business entities; the total amount of investment in other business entities is not subject to the restrictions of 40% of paid-up capital. The Company may also provide guarantees to outside parties as needed to facilitate its business activities.

Article 4 The Company set up its headquarters in Taipei City. When necessary, it may set up branch offices domestically or abroad with a resolution by the Board of Directors.

Article 5 Public announcements of the Company shall be duly made in accordance with Article 28 of The Company Act.

Chapter II Shares

Article 6 The Company's capital shall be set at NT\$1.2 billion, divided into 120 million shares with each share having a par value of NT\$10. The shares may be issued in installments at the discretion of the Board of Directors in accordance with the Company Act and other relevant laws and regulations.

Article 7 The Company's shares are in a registered form to be signed or stamped by more than

three Directors, arranged in serial number and sealed with the Company's seal, and they are issued after approval from issuance and registration institution designated by competent authority. The Company's issued shares may be free from printing, but they should be registered at centralized securities depository enterprise.

Article 8 Deleted.

Article 9 Share transfer shall be suspended within 60 days before the convening of annual shareholders' meeting and within 30 days prior to the convening of extraordinary shareholders' meeting, or within 5 days before the base date of the Company's decision to distribute dividends and bonuses or other benefits.

Article 10 All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of the seal, change of address or similar stock transaction conducted by shareholders of the company shall follow the "Regulations Governing the Administration of Shareholder Services of Public Companies" unless specified otherwise by law and securities regulations.

Chapter III Shareholders' Meetings

Article 11 The shareholders' meetings of the company are classified into two types. The annual shareholders' meeting shall be annually convened by the board within six months from the end of each fiscal year in accordance with the relevant laws and regulations. The extraordinary shareholders' meeting shall be convened in accordance with the relevant laws and regulations, whenever is necessary.

Article 11-1 The shareholders shall be notified of the annual shareholders' meeting 30 days prior to the date and 15 days prior to the date of extraordinary shareholders meeting. The notification shall note the meeting date, location, and reason for convening.

Article 12 If a shareholder is unable to attend the shareholders' meeting in person, a proxy can be appointed by completing the Company's proxy form and by specifying the scope of delegated authority. Shareholders of the Company can also execute voting power through electronic form, and shareholders executing voting power through electronic form shall be deemed as attending the meeting in person. Relevant matters shall be handled according to legal provisions.

Article 13 Shareholders of the Company enjoy one voting power for every share, but there is no voting power for situations stipulated under Article 179 of Company Act.

Article 14 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is unable to attend, the vice chairman shall act in place of the chairman; if the vice chairman also is unable to attend, the chairman shall appoint one of the directors to act as chair. Where the chairman does not make such a designation, the directors shall select from among themselves one person to act as chair. If a shareholders' meeting is convened by a party

with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 14-1 Unless otherwise stipulated for in the Company Act, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 14-2 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting with a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The distribution of the minutes of shareholders' meeting may be affected by means of public announcement.

Chapter IV Directors

Article 15 The Company shall have nine directors, appointed by the shareholder's meeting from a list of candidates submitted by the board. The tenure for the directors shall be three years and may be shortened when necessary. The directors shall be eligible for reelection. 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. The implementation shall be subject to the Company Act, Securities and Exchange Act and other related laws and regulations. The number of Directors shall include three Independent Directors. The professional qualifications, shareholding, restrictions regarding concurrently-held positions, nomination and election methods and other compliance matters shall be handled in accordance with relevant laws and regulations. Total registered stocks held by all directors shall be subject to the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the Financial Supervisory Commission.

Article 15-1 The following relationships may not exist among more than half of the Company's Directors:

- I. Spouse.
- II. Kinship within second-degree.

Article 16 The Board shall consist of the Directors and a Chairman and a Vice Chairman shall be elected from among the Directors by a majority of Directors in attendance at a meeting attended by at least two-thirds of the Directors. The Chairman shall represent the Company externally.

Article 16-1 In convening a meeting of the Board of Directors, a notice shall be given to each Director no later than 7 days prior to the scheduled meeting date. However, in the event of an emergency, the meeting may be convened at any time.

The notice mentioned in the preceding paragraph may be effected in writing or by

means of fax or electronic transmission.

Article 17 In case the Chairman is on leave or absent or cannot exercise his/her power and authority for any cause, his/her representative shall be selected according to Article 208 of the Company Act.

If a director is unable to attend a meeting of the board of directors in person, the directors may delegate in writing another directors to attend a board meeting by proxy, and the proxy may exercise voting rights to any and all matters brought forth during the meeting. However, each director may delegate only one proxy.

Article 18 The remuneration of the Directors shall be determined by the Board of Directors according to the degree of each Director's participation in the operation of the Company and his/her contribution, and shall be determined by reference to the standard of the industry. Independent Directors are paid monthly and are not involved in the distribution of Directors' remuneration set out in Article 22.

The Company may purchase liability insurance for Directors during the term according to the compensation liability within their business scope.

Article 19 The Company shall set up the Audit Committee as per Article 14-4 of the Securities and Exchanges Act. The Audit Committee shall be composed of the entire number of Independent Directors and is responsible for Supervisors' duties as per the Company Act, Securities and Exchange Act and other related laws and regulations.

Chapter V Managers

Article 20 The Company may have managers. Appointment, dismissal, and compensation of the managers shall be decided in accordance with Article 29 of the Company Act.

Chapter VI Accounting

Article 21 The Company shall, at the end of each fiscal year, make the following reports by the Board of Directors and submit them to the annual shareholders' meeting for recognition.

(I) Business reports.

(II) The financial statements.

(III) Proposal for distribution of earnings to shareholders or recovery of prior year losses.

Article 22 If the Company records a profit in a year, it shall appropriate the employee remuneration not less than 0.5% and the director remuneration not higher than 2%. V The remuneration of employees is not more than 2% for directors. However, in case of the accumulated losses, certain profits shall first be reserved to cover them.

The Company's surplus at the end of the accounting year shall be first subject to taxation, reimbursement of previous losses, followed by a 10% provision for legal capital reserve and special capital reserve by law or reversal. The remainder, apart from allocation of

ordinary share dividends, shall be allocated as bonus for shareholders at the board's proposal and subject to approval at the shareholders' meeting.

Article 22-1 The Company will move towards large-scale construction projects and strive for growth and innovation. In order to continue to attract the appropriate capital to meet the needs of the business and take into account the shareholders' needs for cash, the lower limit of the Company's future cash dividend ratio will be 20% of the total cash and stock dividends to be distributed in the current year.

Chapter VII Supplemental Provisions

Article 23 For outstanding matters in the Articles of Association, the provisions of Company Act shall be followed.

Article 24 The Articles of Association were formulated on Feb 24, 1982. The 1st amendment was made on Jun. 13, 1986; the 2nd amendment was made on Jan. 12, 1989; the 3rd amendment was made on Apr. 10, 1992; the 4th amendment was made on Feb. 14, 1994; the 5th amendment was made on May 2, 1994; the 6th amendment was made on May 2, 1994; the 7th amendment was made on Aug. 2, 1994; the 8th amendment was made on Nov. 12, 1994; the 9th amendment was made on May 20, 1995; the 10th amendment was made on Apr. 26, 1996; the 11th amendment was made on Nov. 22, 1996; the 12th amendment was made on Mar. 30, 1999; the 13th amendment was made on Apr. 18, 2000; the 14th amendment was made on Mar. 28, 2001; the 15th amendment was made on Jun. 14, 2002; the 16th amendment was made on Jun. 14, 2005; the 17th amendment was made on Jun. 13, 2007; the 18th amendment was made on Jun. 30, 2008; the 19th amendment was made on Jun. 19, 2009; the 20th amendment was made on Jun. 18, 2010; the 21st amendment was made on Jun. 15, 2011; the 22nd amendment was made on Mar. 19, 2012; the 23rd amendment was made on Jun. 17, 2013; the 24th amendment was made on Jun. 22, 2016; the 25th amendment was made on Jun. 17, 2019.

The amended chapter description of Chapter IV, Article 15, Article 15-1, Article 16-1, Article 18, Article 19, Article 21 and Article 22 will come into force from the termination of office of the current directors and supervisors and the re-election in June 2020.

Appendix III

Kedge Construction Co., Ltd. Shareholding of All Directors

According to Item 3, Paragraph 1, Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, where the paid-in capital of the company is more than NT\$1 billion but NT\$2 billion or less, the total amount of registered shares owned by all directors shall not be less than 7.5%. However, if the total shareholding of all directors calculated in accordance to such ratios is less than the maximum shareholding under the subparagraph immediately preceding the given subparagraph, the maximum shareholding under that preceding subparagraph shall be applicable.

If a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the Rules for all directors, other than the independent directors, shall be decreased by 20 percent.

Reference date: Apr. 18, 2021

Title	Name	Shareholding while elected	Shares held as recorded in the shareholders' roster on the ex-dividend date	Remarks
Chairman	Kindom Development Co., Ltd. Representative: Ai-Wei Yuan	36,247,768	36,247,768	On Jun. 15, 2020
Director	Kindom Development Co., Ltd. Representative: Mike Ma	36,247,768	36,247,768	On Jun. 15, 2020
Director	Kindom Development Co., Ltd. Representative: Ching-Song Tseng	36,247,768	36,247,768	On Jun. 15, 2020
Director	Kindom Development Co., Ltd. Representative: Mei-Chu Liu	36,247,768	36,247,768	On Jun. 15, 2020
Director	Kindom Development Co., Ltd. Representative: Yi-Fang Huang	36,247,768	36,247,768	On Jun. 15, 2020
Director	Kindom Development Co., Ltd. Representative: Shih-Hsuan Chou	36,247,768	36,247,768	On Jun. 15, 2020
Independent Director	Hung-Chin Huang	0	0	On Jun. 15, 2020
Independent Director	Shen-Yu Kung	0	0	On Jun. 15, 2020
Independent Director	Gwo-Fong Lin	0	0	On Jun. 15, 2020
Total number of Directors		36,247,768	36,247,768	

Notes:

Total number of shares issued at the time of the election on Jun. 15, 2020: 106,035,660 shares

Total number of shares issued on Apr. 18, 2021: 106,035,660 shares

The statutory requirement for the aggregated shareholdings of all Directors is 8,000,000 shares, the aggregated shareholdings of all Directors as of Apr. 18, 2021 is 36,247,768 shares.