

Stock Code : 2542



Highwealth Construction Corporation

2019 Annual Shareholders' Meeting Agenda

Time of shareholders' meeting: June 10, 2019
Place of shareholders' meeting: No.8 Zhifu Rd, Jhongshan
District, Taipei City (Serendipity Lounge, Dazhi Denwell Hotel)

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Highwealth Construction Corporation Procedures of 2019 Annual Shareholders' Meeting

- I. Call Meeting to Order
- II. Chairman's Address
- III. Report Items
- IV. Proposals for Acceptance and Approval
- V. Discussion Items
- VI. Extemporary Motions
- VII. Adjournment

Highwealth Construction Corporation Agenda of 2019 Annual Shareholders' Meeting

Time: June 10, 2019 (Monday) at 9:00 a.m.

Location: No.8 Zhifu Rd, Jhongshan District, Taipei City
(Serendipity Lounge, DazhiDenwell Hotel)

I. Call Meeting to Order

II. Chairman's Address

III. Report Items

- (I) Business Report of 2018.
- (II) Final Statement Report of Audit Committee reviewing the Company of 2018.
- (III) Report on Operating Condition of Endorsement and Guarantee of 2018.
- (IV) Compensation Distribution for Employees and Directors of 2018.
- (V) Report on Offering and Issuance Status of Corporate Bonds.

IV. Proposals for Acceptance and Approval

- (I) Business Report and Financial Statements of 2018.
- (II) Appropriation of 2018 earnings.

V. Discussion Items

- (I) Amendment of partial articles of Article of Incorporation.
- (II) Amendment of partial articles of the Company's Processing Procedures for Acquisition or Disposal of Assets.
- (III) Amendment of partial articles of the Company's Operating Procedures for Endorsement and Guarantee.
- (IV) Amendment of partial articles of the Company's Operating Procedures for Loan of Funds to Others.

VI. Extemporaneous Motions

VII. Adjournment

Report Items

Report Item I

Proposal: The Company's annual Business Report of 2018 shall be submitted to the Board of Directors and Shareholders.

Explanation: The Company's Business Report of 2018 and Business Prospect of 2018 shall be submitted to the Board of Directors and Shareholders.

Please refer to the Business Report

Highwealth Construction Corporation Business Report



Hello, ladies and gentlemen:

On behalf of all my colleagues in Highwealth Construction Corporation, I would like to thank all shareholders again for your support and care over the past year!

Looking back at the major domestic and international situations of 2018: on the international front, the Sino-US trade war shook the world, the US dollar interest rate rose strongly, China's economy declined sharply, the National People's Congress amended the Constitution to open a new era of Xi Jinping, China introduced 31 measures to benefit Taiwan, emerging markets fell into a bear market, Britain reached an agreement with Br-exit, and bitcoin price collapsed from the clouds; in Taiwan, this includes the introduction of amendment law of the Labor Law, the introduction of annuity reform, pass of three reads of amendments to the Money Laundering Control Act, the Central Bank's strategy to maintain low interest rates, the return of REITs to the market and industrial plants, a six-year high record in land transactions, and the introduction of amendments to the Company Act. We have been constantly concerning about changes in the business environment that are closely related to the national economy and people's livelihood and wealth.

In 2019, the Global Anti-Tax Avoidance CRS has been introduced, and the Legislative Yuan has put forward the Special Regulations on Promoting the Return of Overseas Funds for Investment. The willingness of Taiwanese businessman capital backflow has greatly increased, and real estate will become the target of property purchase. According to the information released by the Accounts and Statistics Office, the excess savings in Taiwan have exceeded two trillion NT dollars for five consecutive years, and the market is full of floating capital. In the part of the minimum wage, the increase to 23,100 NT dollars per month and the increase to 150 NT dollars per hour are conducive to the fulfillment of young people's dream of starting a family; future housing policy will take social housing and urban renewal as the main axis, and the actual price login of 2.0 will continue to collect views from all walks of life to amend the law; under the theme of economic struggle, the real estate unification tax is expected to be lowered. If the banks continue to maintain low interest rates, the market can be expected in the future.

In 2018, Highwealth and the subsidiaries, in such a situation, the consolidated revenue had created income 44.2 billion NT dollars, which set a high record again! Both earnings and revenue had been maintained in a leading position in the industry, which showed that Highwealth Construction had always adhered to the stable, self-disciplined and professional philosophy, and could flexibly adjust its business strategy to meet the market demand and maintain a stable number of promoted cases in spite of the fast-changing environment with many uncertainties. Through multiple marketing channels and flexible housing purchase schemes, Highwealth had gained recognition in the market, of which the overall performance was stable and eye-catching.

This year we will continue to actively promote the cases in the north, central and south; if successful, it will include the North District Xinzhuang“Jieshi Fort” and Taoyuan Guishan“Huayue City” cases. It will include the eye-catching cases of Taichung City’sWuri High-speed Railway "Menghuancheng", Nantun District Fenggong Section, Xitun District Huian Section Commercial Office Building, Tainan City’sAnping District Yu-guang-san, Kaohsiung City's Sanmin District MeishuDayue, Sanmin District Dagang Section, Zuoying District Fushan Commercial Office Building, Lingya District CBD Times Square Commercial Office Building, and the Qianjin District Boxiao Section “Left Bank of Love River”. This year, the number of promoted cases is expected to maintain steady growth, of course, we will also work harder to return the support and affirmation of shareholders.

Next, I would like to report to shareholders Highwealth's impressive recognized consolidated revenue of 44.2 billion NT dollars in 2018, and the construction cases of recognized revenue include: Taipei Jingqi, Shuanghu Hui, Shuangmei Pavilion, Taipei CBD Times Square, Yuanshan No. 1 Courtyard, Songjiang No.1 Courtyard, Taipei No.1 Courtyard, Linkou National No.1 Courtyard, Haiyang Duxin, Mangrove Manor, Highwealth Manor, A+ in front of Chungpu Station, No.1 Park in Chubei, Giants, and Water Park Case. Construction cases of Taichung recognized revenue include Taichung Wenhua Hui, Shuhe Courtyard, Herion Legend, the Herion Castle, and the Taichung National No.1 Courtyard. In the south, recognized revenue cases include Huaren Hui, MinshengXiangxie, Bo Yue, Da Yue, and King's No.1 Courtyard. Coupled with the revenue contributions from the Qiyu Construction Project - Group subsidiary, Taipei ChungshanKaiyan, Hanlin Town, and Taichung CBD Times Square from Boyuan Construction,and the construction cases from Runlong Construction: Ambassador Residence, JingxinWenhui, Xinyi City, Chubei Ambassador Dayue, Taichung NTC State Commercial and Trade Center, Runlong, Tainan Zhen'ai, these figures enabled us to create an after-tax profit of 6.01 NT dollars per share in the year of 2018!

Projected in 2019, in addition to the recognizable performance of the continuing sales of existing houses, including sales cases of consolidated subsidiaries, there are new cases planned to be promoted in response to market demand in northern, central, and southern Taiwan. And recognizable revenue cases in Taipei include New Zhuangjieshi Fort, Shuanghu Hui, Zhen'ai, Taipei CBD Times Square, Taichung Shuhe Courtyard, Kaohsiung Boyue, and a number of other cases in continuing public sales. At the same time, we will start the ten-year multiplier plan, which includes diversified new businesses, doubling of assets, blossoming of brands, and continuous land development in Taiwan. **In the next ten years, we expect to earn another 100 billion NT dollars!**

The multiplier plan will be divided into three parts to achieve the goal:

Firstly, in terms of market environment, we need to increase the market share of promoted cases

Highwealth's know-how and experience in engineering, market judgment and design planning for nearly 40 years can not be easily replaced, with which we can also gain the trust of customers. Highwealth is not only the king of land purchasing, but also the first brand in consumers' minds.

Secondly, in terms of branding management, we need to start the diversified development plan

Started from the construction industry, combined with shopping malls, hotels and restaurants, this year a new business and five new brands will be introduced in Kaohsiung Yuecheng Square. In addition, our hotel, cooperated with Hyatt and Marriott two international brands, will also be launched in Jinshan, Tainan, and Kaohsiung, which is hoped to bring more diversified and convenient living functions and high-quality environment to the residential quarter.

Thirdly, in terms of product planning, commercial office and initial purchase are still the main force in promoted cases

At present, in addition to the residential products we are good at, the commercial office is expected to move towards the goal of 30 buildings in five years. In the future, there will be commercial office planning in Taipei, Taichung, and Kaohsiung, including office composite mall, and even office combined with hotels. Initial purchase are still our specialty items. Not only should we enrich our public facilities, but also they should be paired with easy payment to encourage young people to buy houses bravely, so as to enhance the work motivation and drive social productivity.

Real estate is the locomotive industry for economic growth. As the leading brand in Taiwan, we continue to invest more to build Taiwan and provide local job opportunities. The number of employees in the Group has increased eight times from 165 when it went public in 2000 to 1,288 so far. At the same time, with the expansion of the Group's new business, more partners will join us in the future to work together for Taiwan's economic growth!

Looking forward to the future, Highwealth Group will adhere to the “integrity principle” and “sustainable management” concept, continue to pay attention to the real estate market demand and economic environment changes, adhere to product refinement and high-quality service, and adhere to safety, active development, sound finance and other aspects, to create the greatest benefits and value for customers, shareholders, employees and Taiwan society.

Finally, I would like to thank all gentlemen and ladies who are here today for your continued support and care.

Thank you!

I. Operating Condition of 2018

(I) Business results

The Company's net consolidated revenue of 2018 was 44,204,971,000 NT dollars, representing an increase of 25,534,923,000 NT dollars compared with 18,670,048,000 NT dollars of 2017.

The Company's consolidated net profit before tax of 2018 was 9,450,872,000 NT dollars, representing an increase of 6,717,859,000 NT dollars compared with 2,733,013,000 NT dollars of 2017.

Mainly due to the market environment of bottoming uptrend, abundant floating capital in the market and the willingness increase of Taiwanese businessmen to return their capital after housing consolidation period, coupled with the increase in commercial office demand and that initial purchases are still the main force of promoting cases, the real estate market is continued to recover, with which the confidence in house purchasing and consumption subsequently increases, and the trading volume of the real estate market increases too. As a result, the completion of the current period has increased, and profits have also increased compared with the previous period. Therefore, the net operating profit has increased compared with the previous period.

(II) Budget implementation status

In accordance with the public standards for information processing of the Company's public financial forecasting, there's no need for the Company to prepare financial forecasting of 2018.

(III) Financial revenue and expenditure status

The consolidated financial revenue and expenditure status of the Company and subsidiaries for the last two years is summarized as follows:

Unit: 1,000 NT dollars

Items	Year 2018	Year 2017
Net operating profit	9,503,362	2,631,174
Non-operating income and expense	(52,490)	101,839
Pre-tax net profit	9,450,872	2,733,013
Net profit for the current period	8,738,331	2,442,625
Total comprehensive income for the current period	8,785,858	2,450,348

(IV) Profitability Capacity Analysis

The consolidated profitability analysis of the Company and subsidiaries for the last two years is summarized as follows:

Items	Year 2018	Year 2017
Return on Assets (%)	7.40	2.57
Return on Equity (%)	23.49	6.68
Pre-tax net profit to paid-in capital ratio (%)	81.01	23.42
Net Profit Ratio (%)	19.77	13.08
Earnings per share (NT dollar)	6.01	1.69

(V) Research and development status

1. In terms of construction planning and design: the most appropriate products shall be planned to meet the needs of consumers taking count of the three major principles of practicality, firmness and aesthetics in accordance with the characteristics of the promoted cases position and surrounding environment.
2. In terms of construction project and management: develop the most suitable construction technology and project management for different types of construction sites, strictly control the construction quality, cost and progress, and ensure the safety of the construction site.
3. In terms of market research and development: master the real estate market information, collect the land and housing market data of various districts, conduct regular discussions and analysis, provide the basis for product positioning and marketing strategy, and take creating high sales rate as the purpose.

II. Prospects of 2019

Highwealth Group will continue to purchase land in Keelung, Taipei, Hsinpei, Taoyuan, Hsinchu, Taichung, Tainan, and Kaohsiung districts in 2019, and set foot in restaurants, shopping malls, hotels, and other new businesses. We will continue to strive to achieve new record through diversification operating method.

The objectives for the coming years are declared as follows:

(I) Operating Policy

1. In terms of development: expand product development to professionalism, diversify operating risks, ensure project quality, effectively control project progress, and plan vertical integration of upstream, midstream and downstream dealers, such as water electricity industry, building material industry, decoration industry, and housing intermediary companies with diversified operating strategies to reduce operating costs, to ensure profitability capacity, and provide consumers with more comprehensive services.

2. In terms of exploitation: Train professionals and establish project teams, strengthen inter-industry strategic alliances, and establish national land information systems, so as to enable the Company to obtain reliable and useful information for the land acquisition and development plans, as well as actively develop urban renewal plan cases.
3. In terms of planning: collect the characteristics of the design and planning of real estate buildings in various countries extensively, attach importance to the fire prevention labels, green buildings, building materials labels, intelligent building labels and earthquake-resistant building labels in public areas, and add the concepts of energy conservation, water conservation, ecology and environmental protection to encourage the improvement of building quality. Depending on the market demand differences and regional differences, plan and design exquisite and humanized high-quality products, and provide perfect after-sales service to establish a good brand image and reputation of the Company, so as to further enhance customer trust in the Company.
4. In terms of management system: in order to cope with the increasing business scale, strengthen the internal control, budget management and corporate governance, and make efforts to computerize various operations, so that the management process can be smooth, the internal control system can be perfected, and the Company can still improve its work and operating efficiency under the circumstance of performance growth.
5. In terms of finance: enhance the financial operating capability, maintain the appropriate ratio of equity capital, and raise the required long-term and short-term fund through the capital and money markets to enhance the competitiveness in the face of changes in market interest rate.
6. In terms of resources: continuously strengthen human resources training programs, train professionals and attract investment of talented people to enhance the competitiveness of the Company, in order to provide service of higher level.

(II) Important production and marketing policies

1. Production policies:

- (1) Based on the solid professional foundation of land development, fully grasp the information of land sources, closely screen, actively participate in urban renewal land development and joint development of MRT stations, and actively expand and reserve land resources of high-quality lots.
- (2) Give full play to the functions of design material selection and construction management to achieve the objectives of product refinement, cost control, shortening construction period, and residential safety, and ensure the realization of the rate of return on investment.

2. Sales strategies:

- (1) Conduct analysis of market demand, and work well in product positioning.

- (2) Establish enterprise brand identification and “customer-oriented” service orientation.
- (3) Adopt the most appropriate construction method to work well in quality control and cost control.
- (4) Sales conception of zero-residue house.
- (5) Establish diversified marketing channels.
- (6) Strengthen the discussion of relevant laws and decrease the possibility of house purchase disputes.

(III) The expected sales and its basis

1. Intensively concentrate on the industry: for the Company's existing building cases, effectively integrate the resources of all parties, strengthen the research and development of building materials, implement the policy of good quality, simplified cost and high speed to create the highest benefit of each case.
2. Sustainable development: In the future, continuously search for development plans with special niches at home and abroad, and make use of the Company’s established management team and intelligence to continuously enhance the unique product value competitiveness of the Company.
3. Development of a second core industry: make use of existing commercial immovable property of construction cases to develop a fixed-income business entity to support the stable dividend policy.

(IV) Influences of external competitive environment, regulatory environment and the overall business environment

1. External competition: bottoming uptrend appeared in market environment after housing consolidation period, the quantity of the land, application permit and building permit increased in 2018, the land transaction volume reached 178 billion NT dollars, 77% of the total amount was residential and commercial land, the bid release amount was nearly 80 billion NT dollars, the application permit issued number increased nearly 7%, the house number broke 110,000, and the commencing declaration number in building permit broke 100,000, which returned to the highest level in nearly four years, reflecting the confidence and ambition of developers in the housing market in general. At present, most of the same trade mainly caters to the owner-occupied rigid demand for small square and low total price products, the turnover is growing slowly compared with the previous years, and the commercial office will become the focus of attention in the future market. Only by strengthening the brand, innovating the products, and simultaneously raising the value demand and flexible precision marketing, can we continue to lead the market and win the largest market share.
2. Regulatory environment: the regulatory environment widely includes Construction Regulations, taxes and government policies, such as integration system for dividend

taxation, house tax, land increment tax, financial and fiscal policy, transportation and housing policy, land policy, urban renewal plan, green building promotion and improvement of the transparency of transaction information, proposal of third-party certificate responsibility, and many other regulation changes. The Company will focus more on the study of regulations to ensure the rights and interests of all shareholders.

3. Overall business environment: starting from the third quarter of 2018, influenced by the Sino-US trade war and the global capital transfer driven by the US dollar interest rate rise, the economic outlook has become conservative. In addition, the issues of structural safety of buildings, land development intensity and soil liquefaction revealed by Osaka and Hokkaido strong earthquake in Japan and Hualian earthquake in Taiwan have all affected the overall environment of the housing market and the public's demand for building quality. Under the catalysis of the election, many major projects in Taiwan, such as the opening of the Kaohsiung underground railway, the completion of the second phase of the Taichung elevated railway, the trial operation of the Green Line metro, the completion of the first phase of the New Taipei Ring Line, and the completion of the Green Mountain Line of Danhai Light Rail Line, have had a significant impact on the housing market. In addition, the price of new cases is reasonable, which meets market expectations. In conclusion, the Company is optimistic about the future of the housing market. For house buyers, this year will be an excellent time to conduct owner-occupation and investment in the property market. In particular, the profits of commercial office investment are stable, which is worth grasping.

In the end, I, only on behalf of the Company, would like to show my thanks to ladies and gentlemen for your encouragement and support, and wish you

all the best and family peace

Chairman: Zheng Zhilong



Report Item II

Proposal: Final Statement Report of Audit Committee reviewing the Company in 2018 shall be submitted to the Board of Directors and Shareholders.

Explanation: (I) Final Statement Report of the Company and its consolidated subsidiaries in 2018 was certified by the Audit Committee, and the inspection report was issued.

(II) Earnestly invite the Audit Committee convener to read out the review report.

Highwealth Construction Corporation Inspection Report of Audit Committee

The Board of Directors made 2018 financial statements of the Company and its consolidated subsidiaries, which was certified by the accountants who are Chien Tinuan and Tseng Kuoyang of KPMG Certified Public Accountant Office. The business report and appropriation of earnings are approved by the Audit Committee, and it is considered that there is no disagreement, and in accordance with Article 14.4 of the Securities and Exchange Act and Article of 219 of the Company Act made a report, please review it.

To

2019 Annual Shareholder's Meeting of Highwealth Construction Corporation

Audit Committee Convener: Hong Xiyao



March 19, 2019

Report Item III

Proposal: Report on Operating Condition of Endorsement and Guarantee of 2018 shall be submitted to the Board of Directors and Shareholders.

Explanation: The maximum amount of Endorsement and Guarantee of the Company was 68,360,294,000 NT dollars. By the end of December 31, 2018, the balance of Endorsement and Guarantee was 11,424,090,000 NT dollars. The table of objects of endorsement and guarantee is shown as follows:

Unit: 1,000 NT dollars

Endorser/ Guarantor	Endorsee/Guarantee		Endorsement and guarantee limit for single enterprise	The maximum balance of endorsement and guarantee for the current period	The balance of endorsement and guarantee at the end of the period	Actual expenditure amount	Endorsement and guarantee amount secured by property	Ratio of cumulative endorsement and guarantee amount to the net value of financial statements for the last period	Maximum limit of endorsement and guarantee	Guarantee provided by Parent Company	Guarantee provided by subsidiary	Guarantee provided to subsidiary in Mainland China
	Company name	Relationship										
The Company	Chiyuh Construction	Subsidiary of the Company	34,180,147	8,158,000	7,626,000	4,193,000	-	22.31%	68,360,294	Y	N	N
The Company	Boyuan Construction	Sub-subsidiary of the Company	34,180,147	2,734,890	1,695,390	1,443,434	-	4.96%	68,360,294	Y	N	N
The Company	Well Rich International	Sub-subsidiary of the Company	34,180,147	180,000	180,000	-	-	0.53%	68,360,294	Y	N	N
Teh kee	the Company	Provided by subsidiary to parent company	34,180,147	1,922,700	1,922,700	1,922,700	1,922,700	5.62%	68,360,294	N	Y	N

Note 1: There are seven relationships between the endorsement guarantee and the object of the endorsement and guarantee shown as follows, of which it is sufficient to indicate the type:

- (1) Companies with business dealings.
- (2) Companies in which the Company directly and indirectly holds more than 50% of the voting shares.
- (3) Companies that directly and indirectly hold more than 50% of the voting shares in the Company.
- (4) Companies in which the Company directly or indirectly holds more than 90% of the voting shares.
- (5) Companies that conduct mutual insurance of the same industry or co-creator based on the requirements of contracting project in accordance with the contract provisions.
- (6) The object companies of endorsement and guarantee by all contributing shareholders in shareholding ratio for reasons of joint investment.
- (7) Inter-industry performance bonds for advance sale housing sales contracts in accordance with the regulations of consumer protection law

Note 2: The specified total liability of endorsement and guarantee responsibility and the endorsement and guarantee limit for single enterprise in the endorsement and guarantee operating method of the Company and its subsidiaries are shown as follows:

- (1) The total liability of external endorsement and guarantee shall not exceed 200% of the net value of the Company.
- (2) The amount of endorsement and guarantee for single enterprise shall not exceed 100% of the net value of the Company for the current period.

Report Item IV

Proposal: Compensation Distribution for Employees and Directors of 2018 shall be submitted to the Board of Directors and Shareholders.

- Explanation: (I) In accordance with Article 29 of *Article of Incorporation*, comprehensively considering the shareholders' equity, and referring to peer level and the overall economic environment, the Company had promoted 48,000,000 NT dollars for employee remuneration and 12,000,000 NT dollars for director remuneration in 2018, all of which were paid in cash.
- (II) The amount of the distribution was proposed based on the estimated amount in the financial statements of the Company, and there was no difference from the estimated amount of the recognized expenses for 2018.
- (III) The amount of employee remuneration and director's remuneration promoted in the distribution and the payment method had been discussed and approved by the Salary and Remuneration Committee.

Report Item V

Proposal: Report on Offering and Issuance Status of Corporate bonds shall be submitted to the Board of Directors and Shareholders.

Explanation: The offering and issuance status of corporate bonds of the Company:

- (I) The fifth domestic secured convertible corporate bonds were issued in the amount of 10,020,000,000 NT dollars approved by the Financial Supervisory Commission JGZFFZ No.106016434 Letter on May 22, 2017.
- (II) The first domestic secured ordinary corporate bonds of 2018 were issued in the amount of 2,500,000,000 NT dollars approved by ZGZZ No.10700132602 Letter on May 24, 2018 and declared by the corporate body over-the-counter securities market of Republic of China ZGZZ No.10700126601 Letter on May 18, 2018.
- (III) Please refer to the Meeting Agenda Page 40 (Attachment I) for the operating status of the corporate bonds mentioned above.

Proposals for Acceptance and Approval

Proposals for Acceptance and Approval

proposed by the Board of Directors

Proposal I

Proposal: The Company's Business Report and Financial Statements of 2018 shall be proposed for acceptance and approval.

Notes: (I) The Company's Financial Statements of 2018 have been prepared, in which the balance sheet, the statement of comprehensive income, statement of changes in equity, cash flow statement and consolidated financial statements with subsidiaries have been certified by the accountants who are Chien Tinuan and Tseng Kuoyang of KPMG Certified Public Accountant Office, and the audit report has been submitted together with the Business Report (please refer to Pages 4-11 of the Meeting Agenda), which have been put on record and audited by the Audit Committee.

(II) Please refer to the following financial statements.

Resolution:

Independent Auditors' Report

To the Board of Directors of Highwealth Construction Corp.:

Opinion

We have audited the accompanying parent company only financial statements of Highwealth Construction Corp. (“the Company”), which comprise the parent company only balance sheets as of December 31, 2018 and 2017, the parent company only statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Emphasis of Matter

We draw attention to Note 3(a) of the parent company only financial statements, which the Company initially adopted the IFRS 9 “Financial Instruments” at January 1, 2018, with no restatement of comparative period amounts. Our opinion is not modified in respect of this matter.

We draw attention to Note 3(a) of the parent company only financial statements, which the Company initially adopted the IFRS 15 “Revenue from Contracts with Customers” at January 1, 2018, with no restatement of comparative period amounts. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to note 4(o) and 6(x) of the parent company only financial statements for the account policies on revenue recognition and the details of revenue.

Description of key audit matter

The real estate industry, in which the Company is into, has a higher tendency of revenue fluctuation, therefore the management has set up relevant internal control procedures. The Company's sales revenue was \$30,663,635 thousand in 2018, whether revenue is presented fairly has a significant impact on financial statement. Therefore, the recognition of sales revenue is one of the most important evaluation in performing our audit procedures.

Auditing procedures proformed

Our principal audit procedures included testing the effectiveness of the design and implementing the internal control system of sales revenue. Inspection of sales contracts, bank account transaction record and real estate ownership transfer document, etc. Performing analytical procedures to advance payment to analyze the completeness of accounting procedures. Testing the samples of sales transaction before and after the end of the year to ensure the correctness of sales revenue.

2. Inventory valuation

Please refer to note 4(g) and 5 of the parent company only financial statements for the accounting policies on measuring inventory, assumption used and uncertainties considered in determining the net realizable value and the details of inventory.

Description of key audit matter

As of December 31, 2018, inventory of the Company valued \$66,297,202 thousands, constituting 68% of the total assets, which was presented with lower of cost or net realizable value method. The judgment of net realizable value of inventory relies on management since the Company focuses on real estate industry, which is not only deeply affected by politics, economics, and revolution of housing and land taxation, but also an industry involving a large portion of capital infusion and long-term payback. Thus, the valuation of inventory is one of the most important valuation in performing our audit procedures.

Auditing procedures proformed

Our principal audit procedures included understanding the Company's operating and accounting procedures for inventory valuation. Obtain the Company management's data of inventory valuation, inspecting and recalculating the net realizable value of inventory whether adequate. The net realizable value can be assessed in both ways: through reviewing the recent selling price of the premises, or by inquiring the selling price of premises nearby from the "Actual Selling Price of Real Estate" website.

Responsibilities of Management and Those Charged with Governance for the Parent Company only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. And for such internal control as management determines is necessary to enable the preparation of parent company only financial statements

that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial

statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ti-Nuan Chien and Kuo-Yang Tseng.

KPMG

Taipei, Taiwan (Republic of China)

March 19, 2019

Notes to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

HIGHWEALTH CONSTRUCTION CORP.

Parent Company only Statements of Comprehensive Income

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	2018		2017	
	Amount	%	Amount	%
4000 Operating revenue (Notes 6(x), (y) and 7)	\$ 30,717,971	100	12,252,697	100
5000 Operating costs (Note 6(g))	21,848,707	71	8,836,415	72
Gross profit from operations	8,869,264	29	3,416,282	28
5910 Less: Unrealized profit (loss) from sales(note)	20,483	-	-	-
5920 Add: Realized profit (loss) on from sales(note)	-	-	2,271	-
Gross profit from operations	8,848,781	29	3,418,553	28
Operating expenses:				
6100 Selling expenses (Note 7)	1,646,635	5	836,361	7
6200 Administrative expenses (Note 7)	667,708	2	719,824	6
	2,314,343	7	1,556,185	13
Net operating income	6,534,438	22	1,862,368	15
Non-operating income and expenses:				
7010 Other income (Note 6(aa) and 7)	419,768	1	362,736	3
7020 Other gains and losses, net (Note 6(aa))	216,664	1	127,387	1
7050 Finance costs, net (Note 6(aa) and 7)	(588,498)	(2)	(361,824)	(3)
7070 Share of profit (loss) of associates and joint ventures accounted for using equity method, net	586,465	2	109,118	1
Total non-operating income and expenses	634,399	2	237,417	2
Profit from continuing operations before tax	7,168,837	24	2,099,785	17
7950 Less: Tax expense(Note 6(u))	312,693	1	170,524	1
Profit	6,856,144	23	1,929,261	16
8300 Other comprehensive income:				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans (Note 6(t))	2,401	-	233	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	45,478	-	-	-
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(260)	-	4,316	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	47,619	-	4,549	-
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8362 Unrealized gains (losses) on valuation of available-for-sale financial assets	-	-	3,246	-
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(92)	-	(72)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	(92)	-	3,174	-
8300 Other comprehensive income, net	47,527	-	7,723	-
Total comprehensive income	\$ 6,903,671	23	1,936,984	16
Earnings per share (Note 6(x))				
Basic earnings per share	\$ 6.01		1.69	
Diluted earnings per share	\$ 5.28		1.69	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

HIGHWEALTH CONSTRUCTION CORP.
Parent Company only Statements of Changes in Equity
For the years ended December 31, 2018 and 2017
(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings				Total other equity interest					
							Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Treasury stock	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings						
Balance at January 1, 2017	\$ 11,666,266	2,583,914	5,479,307	1,529	14,907,090	20,387,926	508	-	1,712	2,220	(62,057)	34,578,269
Profit (loss)	-	-	-	-	1,929,261	1,929,261	-	-	-	-	-	1,929,261
Other comprehensive income	-	-	-	-	4,549	4,549	(72)	-	3,246	3,174	-	7,723
Total comprehensive income	-	-	-	-	1,933,810	1,933,810	(72)	-	3,246	3,174	-	1,936,984
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	634,921	-	(634,921)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(5,684,971)	(5,684,971)	-	-	-	-	-	(5,684,971)
Reversal of special reserve	-	-	-	(1,529)	1,529	-	-	-	-	-	-	-
Cash dividends from capital surplus	-	(148,162)	-	-	-	-	-	-	-	-	-	(148,162)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	133,261	-	-	-	-	-	-	-	-	-	133,261
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(118,393)	(118,393)	-	-	-	-	-	(118,393)
Changes in ownership interests in subsidiaries	-	3,156	-	-	-	-	-	-	-	-	(7,372)	(4,216)
Balance at December 31, 2017	11,666,266	2,572,169	6,114,228	-	10,404,144	16,518,372	436	-	4,958	5,394	(69,429)	30,692,772
Effects of retrospective application	-	-	-	-	325,579	325,579	-	471,689	(4,958)	466,731	-	792,310
Equity at beginning of period after adjustments	11,666,266	2,572,169	6,114,228	-	10,729,723	16,843,951	436	471,689	-	472,125	(69,429)	31,485,082
Profit (loss)	-	-	-	-	6,856,144	6,856,144	-	-	-	-	-	6,856,144
Other comprehensive income	-	-	-	-	2,141	2,141	(92)	45,478	-	45,386	-	47,527
Total comprehensive income	-	-	-	-	6,858,285	6,858,285	(92)	45,478	-	45,386	-	6,903,671
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	192,926	-	(192,926)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,740,607)	(1,740,607)	-	-	-	-	-	(1,740,607)
Cash dividends from capital surplus	-	(2,342,586)	-	-	-	-	-	-	-	-	-	(2,342,586)
Due to donated assets received	-	3,396	-	-	-	-	-	-	-	-	-	3,396
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	93,282	-	-	-	-	-	-	-	-	-	93,282
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(202,957)	(202,957)	-	-	-	-	-	(202,957)
Changes in ownership interests in subsidiaries	-	(21,802)	-	-	-	-	-	-	-	-	2,668	(19,134)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	7,084	7,084	-	(7,084)	-	(7,084)	-	-
Balance at December 31, 2018	\$ 11,666,266	304,459	6,307,154	-	15,458,602	21,765,756	344	510,083	-	510,427	(66,761)	34,180,147

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

HIGHWEALTH CONSTRUCTION CORP.
Parent Company only Statements of Cash Flows
For the years ended December 31, 2018 and 2017
(Expressed in Thousands of New Taiwan Dollars)

	<u>2018</u>	<u>2017</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 7,168,837	2,099,785
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	38,826	19,124
Amortization expense	3,819	2,685
Expected credit loss / Provision (reversal of provision) for bad debt expense	-	2,503
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	69,826	(143,014)
Interest expense	588,498	361,824
Interest income	(14,156)	(9,821)
Dividend income	(44,603)	(18,688)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(586,465)	(109,118)
Loss on disposal of property, plan and equipment	12	575
Loss (gain) on disposal of investment properties	(288,513)	3,826
Unrealized profit (loss) from sales	20,483	(2,271)
Other revenue, overdue dividends and compensation of board and directors	3,396	-
Total adjustments to reconcile profit (loss)	<u>(208,877)</u>	<u>107,625</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in financial assets held for trading	-	(27,130)
Net gain on financial assets or liabilities at fair value through profit or loss	(26,278)	-
(Increase) decrease in notes receivable	(759,845)	5,230
(Increase) decrease in accounts receivable	(126,376)	21,933
Increase in inventories	(1,175,012)	(2,319,383)
Decrease in prepayments	145,253	182,176
Decrease (increase) in other current assets	52,441	(16,495)
Decrease in other financial assets	61,548	541,398
Decrease in incremental costs of obtaining a contract	365,621	-
Total changes in operating assets	<u>(1,462,648)</u>	<u>(1,612,271)</u>
Changes in operating liabilities:		
Decrease in contract liabilities	(3,348,861)	-
Increase (decrease) in notes payable	7,581	(12,481)
Decrease in accounts payable	(162,517)	(28,001)
Increase (decrease) in other payable	422,981	(198,442)
Increase in receipts in advance	-	385,829
Increase in other financial liabilities	57,705	50,305
Increase in other current liabilities	4,215	44,276
Increase in net defined benefit liability	388	1,381
Total changes in operating liabilities	<u>(3,018,508)</u>	<u>242,867</u>
Total changes in operating assets and liabilities	<u>(4,481,156)</u>	<u>(1,369,404)</u>
Total adjustments	<u>(4,690,033)</u>	<u>(1,261,779)</u>
Cash inflow generated from operations	2,478,804	838,006
Income taxes paid	(255,716)	(191,241)
Net cash flows from (used in) operating activities	<u>2,223,088</u>	<u>646,765</u>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

HIGHWEALTH CONSTRUCTION CORP.
Parent Company only Statements of Cash Flows (CONT' D)
For the years ended December 31, 2018 and 2017
(Expressed in Thousands of New Taiwan Dollars)

	2018	2017
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets designated at fair value through profit or loss	59,169	-
Acquisition of investments accounted for using equity method	(269,780)	(4,205,086)
Proceeds from disposal of investments accounted for using equity method	518,300	-
Acquisition of property, plant and equipment	(355,236)	(4,862)
Proceeds from disposal of property, plant and equipment	-	381
Acquisition of intangible assets	(3,228)	(6,178)
Acquisition of investment properties	(531,548)	(132,882)
Proceeds from disposal of investment properties	446,454	30,310
Interest received	14,456	10,433
Dividends received	378,548	2,106,222
Net cash flows from (used in) investing activities	257,135	(2,201,662)
Cash flows from (used in) financing activities:		
Increase in short-term loans	18,061,505	18,837,460
Decrease in short-term loans	(13,386,069)	(17,815,056)
Decrease (increase) in short-term notes and bills payable	1,059,264	(645)
Proceeds from issuing bonds	2,497,500	9,993,705
Proceeds from long-term debt	1,703,511	-
Repayments of long-term debt	(71,026)	(4,320)
Increase in other financial liabilities	(4,214,154)	(1,822,281)
Cash dividends paid	(4,083,193)	(5,833,133)
Interest paid	(943,704)	(828,935)
Net cash flows from (used in) financing activities	623,634	2,526,795
Net increase (decrease) in cash and cash equivalents	3,103,857	971,898
Cash and cash equivalents at beginning of the year	6,290,490	5,318,592
Cash and cash equivalents at end of the year	\$ 9,394,347	6,290,490

See accompanying notes to parent company only financial statements.

Independent Auditors' Report

To the Board of Directors of Highwealth Construction Corp.:

Opinion

We have audited the consolidated financial statements of Highwealth Construction Corp. and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Emphasis of Matter

We draw attention to Note 3(a) of the consolidated financial statements, which the Group initially adopted the IFRS 9 “Financial Instruments” at January 1, 2018, with no restatement of comparative period amounts. Our opinion is not modified in respect of this matter.

We draw attention to Note 3(a) of the consolidated financial statements, which the Group initially adopted the IFRS 15 “Revenue from Contracts with Customers” at January 1, 2018, with no restatement of comparative period amounts. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended December 31, 2018 of the Group. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to note 4(r) and 6(aa) of the consolidated financial statements for the account policies on revenue recognition and the details of revenue.

Description of key audit matter

The real estate industry, in which the Group is into, has a higher tendency of revenue fluctuation, therefore the management has set up relevant internal control procedures. The Group's sales revenue was \$43,863,790 thousands in 2018, whether revenue is presented fairly has a significant impact on financial statement. Therefore, the recognition of sales revenue is one of the most important evaluation in performing our audit procedures.

Auditing procedures performed

Our principal audit procedures included testing the effectiveness of the design and implementing the internal control system of sales revenue. Inspection of sales contracts, bank account transaction record and real estate ownership transfer document, etc.. Performing analytical procedures to advance payment to analyze the completeness of accounting procedures. Testing the samples of sales transaction before and after the end of the year to ensure the correctness of sales revenue.

2. Inventory valuation

Please refer to note 4(h) and 5 of the consolidated financial statements for the accounting policies on measuring inventory, assumption used and uncertainties considered in determining the net realizable value and the details of inventory.

Description of key audit matter

As of December 31, 2018, inventory of the Group valued \$91,742,520 thousands, constituting 70% of the consolidated total assets, which was presented with lower of cost or net realizable value method. The judgment of net realizable value of inventory relies on management since the Group focuses on real estate industry, which is not only deeply affected by politics, economics, and revolution of housing and land taxation, but also an industry involving a large portion of capital infusion and long-term payback. Thus, the valuation of inventory is one of the most important evaluation in performing our audit procedures.

Auditing procedures performed

Our principal audit procedures included understanding the Group's operating and accounting procedures for inventory valuation. Obtain the Group management's data of inventory valuation, inspecting and recalculating the net realizable value of inventory to ensure if it is adequate. The net realizable value can be assessed in both ways: through reviewing the recent selling price of the premises, or by inquiring the selling price of premises nearby from the "Actual Selling Price of Real Estate" website.

Other Matter

Highwealth Construction Corp. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2018 and 2017, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ti-Nuan Chien and Kuo Yang Tseng.

KPMG

Taipei, Taiwan (Republic of China)

March 19, 2019

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the 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 accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES
Consolidated Balance Sheets

December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2018		December 31, 2017			December 31, 2018		December 31, 2017	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (Note 6(a))	\$ 15,052,306	12	10,412,644	8	2100 Short-term borrowings (Note 6(p))	\$ 42,621,570	32	41,722,634	34
1110 Financial assets at fair value through profit or loss-current (Notes 6(b) and 8)	630,174	1	729,325	1	2110 short-term transaction instrument payables (Note 6(q))	4,347,933	3	3,679,065	3
1140 Current contract assets (Note 6(aa))	41,924	-	-	-	2130 Current contract liabilities (Note 6(aa))	3,356,938	3	-	-
1150 Notes receivable, net (Notes 6(f) and 8)	1,478,259	1	692,227	1	2150 Notes payable	20,012	-	34,694	-
1170 Accounts receivable, net (Note 6(f))	290,507	-	1,500,668	1	2170 Accounts payable	6,107,062	5	6,284,941	5
1190 Construction contracts receivable (Note 6(g))	-	-	68,366	-	2190 Current contract liabilities (Note 6(g))	-	-	5,172	-
130X Inventory (Notes 6(h) and 8)	91,742,520	70	96,144,639	77	2200 Other payables (Note 7)	2,056,757	2	1,967,061	2
1410 Prepayment	420,992	-	1,906,267	2	2230 Current tax liabilities	363,099	-	34,132	-
1476 Other financial assets-current (Notes 6(o) 、(aa) 、(ae) 、8 and 9(b))	4,410,835	3	4,986,975	4	2250 Provisions— Current (Notes 6(t) and (w))	218,970	-	162,594	-
1479 Other current assets, others	155,772	-	220,739	-	2305 Other financial liability-current	21,892	-	17,640	-
1480 Current assets recognised as incremental costs to obtain contract with customers (Note 6(o))	771,251	1	-	-	2310 Advanced receipts (Notes 6(v) and 9(a))	-	-	8,240,656	7
	<u>114,994,540</u>	<u>88</u>	<u>116,661,850</u>	<u>94</u>	2321 Current Portion of puttable bonds (Note 6(s))	1,999,919	2	1,238,708	1
Non-current assets:					2399 Current portion of long-term borrowings (Note 6(r))	211,718	-	4,374	-
1517 Non-current financial assets at fair value through other comprehensive income (Note 6(c))	528,381	-	-	-	Other current liabilities, others	333,494	-	470,657	-
1523 Non-current available-for-sale financial assets (Note 6(d) and 8)	-	-	57,043	-		<u>61,659,364</u>	<u>47</u>	<u>63,862,328</u>	<u>52</u>
1543 Non-current financial assets at amortized cost (Note 6(e))	-	-	18,298	-	Non-Current liabilities:				
1550 Investments accounted for using equity method, net (Note 6(i))	96,190	-	-	-	2530 Bonds payable (Note 6(s))	23,083,924	18	22,486,489	18
1600 Property, plant and equipment (Notes 6(m) and 8)	3,288,941	3	2,366,802	2	2540 Long-term borrowings (Note 6(r))	5,766,522	4	3,153,161	3
1760 Investment property (Notes 6(n) and 8)	4,337,723	3	1,523,899	1	2570 Deferred tax liabilities (Note 6(x))	248,056	-	248,056	-
1780 Intangible assets	25,054	-	26,558	-	2640 Net defined benefit liability, non-current (Note 6(w))	41,077	-	44,766	-
1840 Deferred tax assets (Note 6(x))	56,196	-	40,658	-		<u>29,139,579</u>	<u>22</u>	<u>25,932,472</u>	<u>21</u>
1980 Other non-current financial assets (Notes 6(o) and 8)	7,486,961	6	3,323,657	3	Total liabilities	<u>90,798,943</u>	<u>69</u>	<u>89,794,800</u>	<u>73</u>
1990 Other non-current assets, others	87,105	-	87,105	-	Equity attributable to owners of parent:				
	<u>15,906,551</u>	<u>12</u>	<u>7,444,020</u>	<u>6</u>	3100 Common stock (Note 6(y))	11,666,266	9	11,666,266	9
					3200 Capital surplus (Note 6(y))	304,459	-	2,572,169	2
					Retained earnings:				
					3310 Legal reserve (Note 6(y))	6,307,154	5	6,114,228	5
					3350 Unappropriated earnings	15,458,602	12	10,404,144	8
					3400 Other equity (Note 6(y))	510,427	-	5,394	-
					3500 Treasury stock (Note 6(y))	(66,761)	-	(69,429)	-
					Total equity attributable to owners of parent:	<u>34,180,147</u>	<u>26</u>	<u>30,692,772</u>	<u>24</u>
					36XX Non-controlling interests (Note 6(l))	5,922,001	5	3,618,298	3
					Total equity	<u>40,102,148</u>	<u>31</u>	<u>34,311,070</u>	<u>27</u>
Total assets	\$ 130,901,091	100	124,105,870	100	Total liabilities and equity	\$130,901,091	100	124,105,870	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	2018		2017	
	Amount	%	Amount	%
4000 Operating revenue (Notes 6(g) 、(aa) and (ab))	\$44,204,971	100	18,670,048	100
5000 Operating cost (Note 6(h))	31,032,093	70	13,696,981	73
Gross profit from operations	<u>13,172,878</u>	<u>30</u>	<u>4,973,067</u>	<u>27</u>
Operating expenses:				
6100 Selling expenses	2,377,040	5	1,181,577	6
6200 Administrative expenses	1,292,476	3	1,160,316	6
	<u>3,669,516</u>	<u>8</u>	<u>2,341,893</u>	<u>12</u>
Net operating income	<u>9,503,362</u>	<u>22</u>	<u>2,631,174</u>	<u>15</u>
Non-operating income and expenses:				
7010 Other income (Notes 6(ad) and 7)	696,204	2	515,729	3
7020 Other gains and losses (Note 6(ad))	125,762	-	293,849	1
7050 Finance costs, net (Note 6(ad))	(872,646)	(2)	(707,739)	(4)
7070 Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6(i))	(1,810)	-	-	-
Total non-operating income and expenses	<u>(52,490)</u>	<u>-</u>	<u>101,839</u>	<u>-</u>
Profit from continuing operations before tax	9,450,872	22	2,733,013	15
7950 Less: Tax expense (Note 6(x))	712,541	2	290,388	2
Profit	<u>8,738,331</u>	<u>20</u>	<u>2,442,625</u>	<u>13</u>
8300 Other comprehensive income:				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans (Note 6(w))	2,141	-	4,549	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	45,478	-	-	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	<u>47,619</u>	<u>-</u>	<u>4,549</u>	<u>-</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(92)	-	(72)	-
8362 Unrealized gains (losses) on valuation of available-for-sale financial assets	-	-	3,246	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	<u>(92)</u>	<u>-</u>	<u>3,174</u>	<u>-</u>
8300 Other comprehensive income	<u>47,527</u>	<u>-</u>	<u>7,723</u>	<u>-</u>
Total comprehensive income	<u>\$ 8,785,858</u>	<u>20</u>	<u>2,450,348</u>	<u>13</u>
Profit, attributable to:				
8610 Profit, attributable to owners of parent company	\$ 6,856,144	16	1,929,261	10
8620 Profit, attributable to non-controlling interests	1,882,187	4	513,364	3
	<u>\$ 8,738,331</u>	<u>20</u>	<u>2,442,625</u>	<u>13</u>
Comprehensive income attributable to:				
8710 Comprehensive income, attributable to owners of parent company	\$ 6,903,671	16	1,936,984	10
8720 Comprehensive income, attributable to non-controlling interests	1,882,187	4	513,364	3
	<u>\$ 8,785,858</u>	<u>20</u>	<u>2,450,348</u>	<u>13</u>
Earnings per share (Note 6(z))				
9750 Basic earnings per share	<u>\$ 6.01</u>		<u>1.69</u>	
9850 Diluted earnings per share	<u>\$ 5.28</u>		<u>1.69</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent														
	Share capital						Total other equity interest							Non-controlling interests	Total equity
	Retained earnings					Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Treasury stock	Total equity attributable to owners of parent			
Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings											
Balance at January 1, 2017	\$ 11,666,266	2,583,914	5,479,307	1,529	14,907,090	20,387,926	508	-	1,712	2,220	(62,057)	34,578,269	4,152,077	38,730,346	
Profit	-	-	-	-	1,929,261	1,929,261	-	-	-	-	-	1,929,261	513,364	2,442,625	
Other comprehensive income	-	-	-	-	4,549	4,549	(72)	-	3,246	3,174	-	7,723	-	7,723	
Total comprehensive income	-	-	-	-	1,933,810	1,933,810	(72)	-	3,246	3,174	-	1,936,984	513,364	2,450,348	
Appropriation and distribution of retained earnings:															
Legal reserve appropriated	-	-	634,921	-	(634,921)	-	-	-	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(5,684,971)	(5,684,971)	-	-	-	-	-	(5,684,971)	-	(5,684,971)	
Reversal of special reserve	-	-	-	(1,529)	1,529	-	-	-	-	-	-	-	-	-	
Cash dividends from capital surplus	-	(148,162)	-	-	-	-	-	-	-	-	-	(148,162)	-	(148,162)	
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	133,261	-	-	-	-	-	-	-	-	-	133,261	-	133,261	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(118,393)	(118,393)	-	-	-	-	-	(118,393)	118,393	-	
Changes in ownership interests in subsidiaries	-	3,156	-	-	-	-	-	-	-	-	(7,372)	(4,216)	4,216	-	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,169,752)	(1,169,752)	
Balance at December 31, 2017	11,666,266	2,572,169	6,114,228	-	10,404,144	16,518,372	436	-	4,958	5,394	(69,429)	30,692,772	3,618,298	34,311,070	
Effects of retrospective application	-	-	-	-	325,579	325,579	-	471,689	(4,958)	466,731	-	792,310	43,550	835,860	
Equity at beginning of period after adjustments	11,666,266	2,572,169	6,114,228	-	10,729,723	16,843,951	436	471,689	-	472,125	(69,429)	31,485,082	3,661,848	35,146,930	
Profit	-	-	-	-	6,856,144	6,856,144	-	-	-	-	-	6,856,144	1,882,187	8,738,331	
Other comprehensive income	-	-	-	-	2,141	2,141	(92)	45,478	-	45,386	-	47,527	-	47,527	
Total comprehensive income	-	-	-	-	6,858,285	6,858,285	(92)	45,478	-	45,386	-	6,903,671	1,882,187	8,785,858	
Appropriation and distribution of retained earnings:															
Legal reserve appropriated	-	-	192,926	-	(192,926)	-	-	-	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(1,740,607)	(1,740,607)	-	-	-	-	-	(1,740,607)	-	(1,740,607)	
Cash dividends from capital surplus	-	(2,342,586)	-	-	-	-	-	-	-	-	-	(2,342,586)	-	(2,342,586)	
Due to donated assets received	-	3,396	-	-	-	-	-	-	-	-	-	3,396	-	3,396	
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	93,282	-	-	-	-	-	-	-	-	-	93,282	-	93,282	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	(202,957)	(202,957)	-	-	-	-	-	(202,957)	-	(202,957)	
Changes in ownership interests in subsidiaries	-	(21,802)	-	-	-	-	-	-	-	-	2,668	(19,134)	19,134	-	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	358,832	358,832	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	7,084	7,084	-	(7,084)	-	(7,084)	-	-	-	-	
Balance at December 31, 2018	\$ 11,666,266	304,459	6,307,154	-	15,458,602	21,765,756	344	510,083	-	510,427	(66,761)	34,180,147	5,922,001	40,102,148	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	<u>2018</u>	<u>2017</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 9,450,872	2,733,013
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	92,455	84,167
Amortization expense	10,307	10,746
Expected credit loss / Provision (reversal of provision) for bad debt expense	-	2,503
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	149,629	(314,256)
Interest expense	872,646	707,739
Interest income	(28,774)	(21,698)
Dividend income	(95,739)	(39,947)
Share of loss of associates and joint ventures accounted for using equity method	1,810	-
Loss on disposal of property, plan and equipment	10,840	3,087
Loss (gain) on disposal of investment properties	(288,513)	3,826
Gain on disposal of investments	-	(2)
Other revenue, overdue dividends and compensation of board and directors	3,396	-
Total adjustments to reconcile profit (loss)	<u>728,057</u>	<u>436,165</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in financial assets held for trading	-	(27,130)
Net gain on financial assets or liabilities at fair value through profit or loss	(50,478)	-
Decrease in contract assets	240,472	-
Increase in notes receivable	(786,032)	(15,358)
Decrease (increase) in accounts receivable	996,131	(874,769)
Increase in construction contracts receivable	-	(2,827)
Decrease (increase) in inventories	2,296,129	(5,589,824)
Decrease (increase) in prepayments	370,780	(55,316)
Decrease (increase) in other current assets	64,967	(38,510)
Decrease in other financial assets	800,467	243,916
Decrease in assets recognised as incremental costs to obtain contract with customers	697,828	-
Total changes in operating assets	<u>4,630,264</u>	<u>(6,359,818)</u>
Changes in operating liabilities:		
Decrease in contract liabilities	(4,888,890)	-
Decrease in notes payable	(14,682)	(16,942)
Decrease in accounts payable	(177,877)	(258,944)
Decrease in construction contracts receivable	-	(188,747)
Increase (decrease) in other payables	71,140	(485,037)
Increase in provisions	56,376	2,425
Increase in receipts in advance	-	1,243,730
Increase in other financial liabilities	4,252	3,270
(Decrease) increase in other current liabilities	(137,163)	188,635
(Decrease) increase in net defined benefit liability	(1,548)	190
Total changes in operating liabilities	<u>(5,088,392)</u>	<u>488,580</u>
Total changes in operating assets and liabilities	<u>(458,128)</u>	<u>(5,871,238)</u>
Total adjustments	<u>269,929</u>	<u>(5,435,073)</u>
Cash inflow generated from operations	9,720,801	(2,702,060)
Income taxes paid	(356,234)	(461,585)
Net cash flows from (used in) operating activities	<u>9,364,567</u>	<u>(3,163,645)</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT' D)

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	<u>2018</u>	<u>2017</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	59,169	-
Proceeds from capital reduction of financial assets at cost	-	2
Acquisition of investments accounted for using equity method	(98,000)	-
Net cash flow from acquisition of subsidiaries	-	(3,630,739)
Acquisition of property, plant and equipment	(719,085)	(29,473)
Proceeds from disposal of property, plant and equipment	-	1,494
Acquisition of intangible assets	(8,831)	(11,746)
Acquisition of investment properties	(531,548)	(132,882)
Proceeds from disposal of investment properties	446,454	30,310
Increase in prepayments for business facilities	-	(2,178)
Interest received	28,393	21,491
Dividends received	95,739	39,947
Net cash flows from (used in) investing activities	<u>(727,709)</u>	<u>(3,713,774)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	26,200,549	33,996,073
Decrease in short-term loans	(24,507,163)	(29,350,329)
Increase in short-term notes and bills payable	668,868	313,586
Proceeds from issuing bonds	2,497,500	11,993,705
Proceeds from long-term debt	2,103,511	-
Repayments of long-term debt	(71,026)	(4,320)
Increase in other financial liabilities	(4,432,244)	(1,942,035)
Cash dividends paid	(3,989,911)	(5,699,872)
Interest paid	(1,370,631)	(1,288,917)
Changes in non-controlling interests	(1,096,582)	(1,299,686)
Net cash flows from (used in) financing activities	<u>(3,997,129)</u>	<u>6,718,205</u>
Effect of exchange rate changes on cash and cash equivalents	(67)	(58)
Net increase (decrease) in cash and cash equivalents	4,639,662	(159,272)
Cash and cash equivalents at beginning of the year	<u>10,412,644</u>	<u>10,571,916</u>
Cash and cash equivalents at end of the year	<u>\$ 15,052,306</u>	<u>10,412,644</u>

See accompanying notes to consolidated financial statements.

Proposals for Acceptance and Approval

proposed by the Board of Directors

Proposal II

Proposal: The Company's Appropriation of 2018 earnings shall be proposed for acceptance and approval.

Explanation: (I) The Company's undistributed surplus earnings at the beginning of 2018 8,470,611,011 NT dollars (the same below), adds IFRS conversion adjustment amount 325,578,665 NT dollars, the net profit after tax for the current period 6,856,144,206 NT dollars and other comprehensive profits and losses transferred to retained earnings 9,485,779 NT dollars for the current period, minus the balance of actual acquired or disposal equity price of the subsidiaries and book value, other comprehensive profits and losses of the subsidiaries, affiliated enterprises and joint venture recognized by the equity method, and other joint comprehensive profits and losses 203,217,854 NT dollars, the assignable amount equals to 15,458,601,807 in total.

(II) The proposed surplus amount is 4,083,193,250 NT dollars, and a cash dividend of 3.5 NT dollars per share will be issued (means 3,500 NT dollars per thousand shares).

(III) After the surplus distribution is approved by the shareholders' meeting, authorize the Board of Directors to separately determine the base date of excluding interest and other related matters, the distribution of shareholders' cash dividends shall be calculated up to NT Dollar (rounded off below 1 NT Dollar), and the total amount of the excess cash dividends shall be included in other income of the Company.

(IV) If the number of outstanding shares and shareholders' interest rate are changed due to subsequent changes in laws and regulations, adjustments by the Competent Authority, repurchase, cancellation, conversion of corporate bonds, issuance of new shares, or other factors affecting the change of shares, the shareholders' meeting shall authorize the Board of Directors to conduct the adjustment.

(V) Please refer to the Distribution of earnings.

Resolution:


Highwealth Construction Corporation
Distribution of 2018 earnings

Unit: 1,000 NT dollars

Item	Amount	
	Subtotal	Total
Beginning retained earnings		8,470,611,011
Add: IFRS conversion adjustment net amount	325,578,665	
Beginning balance after conversion to IFRS		8,796,189,676
Add: Current net profit after tax	6,856,144,206	
Dispose measured by equity instrument of other comprehensive profits and losses at fair value	7,084,656	
Current change of re-measurement of defined benefit plans	2,401,123	
Minus: Balance of actual acquired or disposal equity price of the subsidiaries and book value	(202,957,266)	
Other comprehensive profits and losses of the subsidiaries, affiliated enterprises and joint venture recognized by the equity method	(260,588)	
Assignable surplus earnings		15,458,601,807
Minus: 10% legal reserve	(685,614,421)	
Minus: Assign items		
Cash dividend to shareholders (3.5 NT Dollars/share)	(4,083,193,250)	
Unappropriated retained earnings		10,689,794,136

Chairman: Zheng Zhilong



Manager: Fan Huajun Accountant



Officer: Li Xiutai



Discussion Items

Discussion Items

proposed by the Board of Directors

Item I

Proposal: Amendment of partial articles of Article of Incorporation shall be proposed for resolution.

Explanation: According to the Executive Yuan YTJZ Decree No.1070037184 of October 26, 2018 and the actual operating requirements, the Company has amended partial articles of Article of Incorporation. Please refer to pages 44 to 47 of the Meeting Agenda for the Comparison Table of Amendments (Attachment II).

Resolution:

Discussion Items

Discussion Items

proposed by the Board of Directors

Item II

Proposal: Amendment of partial articles of the Company's Procedures for Acquisition or Disposal of Assets shall be proposed for resolution.

Explanation: According to Financial Supervisory Commission JGZFFZ Decree No.1070341072 of November 26, 2018, the Company has amended partial articles of Procedures for Acquisition or Disposal of Assets". Please refer to pages 48 to 74 of the Meeting Agenda for the Comparison Table of Amendments (Attachment III).

Resolution:

Discussion Items

Discussion Items

proposed by the Board of Directors

Item III

Proposal: Amendment of partial articles of the Company's Operating Procedures for Endorsement and Guarantee shall be proposed for resolution.

Explanation: According to Financial Supervisory Commission JGZSZ Decree No.1080304826 of March 7, 2019, the Company has amended partial articles of Operating Procedures for Endorsement and Guarantee. Please refer to pages 75 to 77 of the Meeting Agenda for the Comparison Table of Amendments (Attachment IV).

Resolution:

Discussion Items

Discussion Items

proposed by the Board of Directors

Item IV

Proposal: Amendment of partial articles of the Company's Operating Procedures for Loan of Funds to Others shall be submitted for resolution.

Explanation: According to Financial Supervisory Commission JGZSZ Decree No.1080304826 of March 7, 2019, the Company has amended partial articles of Operating Procedures for Loan of Funds to Others. Please refer to pages 78 to 81 of the Meeting Agenda for the Comparison Table of Amendments (Attachment V).

Resolution:

Extemporary Motions

Attachment I

Issuance Status of Corporate Bonds

March 30, 2019

Type of Corporate Bonds	Domestic Fifth Secured Convertible Bonds (Code: 25425)	
Release Date	June 8, 2017	
Denomination	100,000 NT dollars	
Place of Issuance and Transaction	In Taiwan	
Issue Price	Issued at 100.2% of face amount	
Total	The total amount is 10,020,000,000 NT dollars	
Interest rate	0%	
Period	Five years, and maturity date: June 8, 2022	
Guarantee Organization	Taiwan Cooperative Bank Co., Ltd., Mega International Commercial Bank Co., Ltd., Agricultural Bank of Taiwan Co., Ltd., Chang Hwa Bank Co., Ltd., Taiwan Business Bank Co., Ltd., Jihsun International Commercial Bank Co., Ltd., Taichung Commercial Bank Co., Ltd., Bank of Kaohsiung Co., Ltd. and DBS (Taiwan) Commercial Bank Co., Ltd.	
Trustee	Land Bank of Taiwan Co., Ltd.	
Underwriting institution	Fubon Securities Co., Ltd	
Certified Lawyer	Lawyer Pang Yeeching of Handsome Attorneys-at-Law	
Certified Public Accountant	Accountant Chien Tinuan and Tseng Kuoyang of KPMG Certified Public Accountant Office	
Reimbursement Method	If the bondholder converts the bonds to the Company's ordinary shares in accordance with Article 10 of the Regulations on Issuance and Conversion of Convertible Corporate Bonds, and redeems them in advance by the Company and repurchases them from the business office of the securities firm according to Article 18, or the bondholder sells them back in advance according to Article 19, the bondholder shall be repaid in cash at maturity with interest compensation calculated in addition to the par value of the bonds.	
Outstanding Amount	10,000,000,000 NT dollars.	
Redemption and Advanced Redemption Provisions	Please refer to the conversion method.	
Restrictive Provisions	Please refer to the conversion method.	
Name of Credit Rating Agency, Rating Date, and Corporate Bond Rating Results	None.	
Other rights attached	Amount of Converted (Exchanged or Subscribed) Ordinary shares, Overseas Depository Receipts or Other Negotiable Securities	None.
	Issuance and Conversion (Exchange or Subscription) Method	Please refer to the conversion method.
Possible Equity Dilution Status and Impact on Existing Shareholders' Equity	Assuming that the directors of the convertible bonds request to convert them to ordinary shares of the Company at the conversion price of 47.4 NT dollars, and the estimated maximum number of convertible shares is 210,970,000, it will have a maximum dilution effect of 15.30% on the original shareholders' equity.	
Name of the Custodian Institution for Underlying Exchange	Not applicable.	

Issuance Status of Corporate Bonds

March 30, 2019

Type of Corporate Bonds	First Secured Ordinary Corporate Bonds of 2018 (Code: B86404, P07 Highwealth1 for short)	
Release Date	May 28, 2018	
Denomination	1000,000 NT dollars	
Place of Issuance and Transaction (Note)	Not applicable	
Issue Price	Issued at 100% of face amount	
Total	The total amount is 2.5 billion NT dollars	
Interest Rate	Coupon rate: fixed annual interest rate 0.9%	
Period	Five years, and maturity date: May 28, 2023	
Guarantee Organization	Land Bank of Taiwan Co., Ltd	
Trustee	Jihsun International Commercial Bank	
Underwriting Institution	Land Bank of Taiwan Co., Ltd	
Certified Lawyer	Lawyer Wei Zhongjie	
Certified Public Accountant	Chien Tinuan and Tseng Kuoyang	
Reimbursement Method	The bullet repayment of principal shall be managed after the expiration of five years since the release date of the corporate bonds.	
Outstanding Amount	2,500,000,000 NT dollars	
Redemption and Advanced Redemption Provisions	Not applicable	
Restrictive Provisions	None	
Name of Credit Rating Agency, Rating Date and Corporate Bond Rating Results	Not applicable	
Other Rights Attached	Amount of Converted (Exchanged or Subscribed) Ordinary Shares, Overseas Depository Receipts or Other Negotiable Securities	Not applicable
	Issuance and Conversion (Exchange or Subscription) Method	Please refer to the prospectus of the Company's First Secured Ordinary Corporate Bonds of 2018
Possible Equity Dilution Status and Impact on Existing Shareholders' Equity	Please refer to the prospectus of the Company's First Secured Ordinary Corporate Bonds of 2018	
Name of the Custodian Institution for Underlying Exchange	Not applicable	

Notes: For overseas corporate bonds

Attachment II

Comparison Table of Amendments to Article of Incorporation of Highwealth Construction Corporation

Before amendment	After amendment	Amendment reason
<p>Article 1: The company shall be organized in accordance with the provisions of the Company Act as Highwealth Construction Corporation.</p>	<p>Article 1: The company shall be organized in accordance with the provisions of the Company Act as Highwealth Construction Corporation, <u>and the English name shall be Highwealth Construction Corp.</u></p>	<p>In line with decrees and regulations, apply to the competent authority for registration of foreign names.</p>
<p>Article 4: The announcement methods of the Company shall be handled in accordance with the Company Act and other relevant provisions.</p>	<p>Article 4: The announcement methods of the Company shall be handled in accordance with <u>Article 28</u> of Company Act.</p>	<p>In line with decrees and regulations, amend the text.</p>
<p>This article is newly added</p>	<p><u>Article 5-1:</u> <u>The issuance or transfer objects shall include employees of subsidiaries who match certain conditions for the Company issuing employee subscription certificate, issuing new stocks with restricted employee rights, issuing new stocks to employees, or repurchasing stocks and transferring to employees in accordance with the law.</u> <u>The above conditions and acquisition methods shall be submitted to the Board of Directors for decision.</u></p>	<p>In line with decrees and regulations and practical demands, this article is newly added.</p>
<p>Article 6: Shares of the Company shall be registered, signed or sealed by <u>three or more</u> directors, and shall be issued after certification in accordance with the law. Shares shall be printed in combination with the total number of new shares issued, or exempted from printing. However, a centralized securities depository enterprise shall be contracted for registration or custody.</p>	<p>Article 6: Shares of the Company shall be registered, signed or sealed by directors <u>on behalf of the Company</u>, and shall be issued after certification in accordance with the law. Shares shall be printed in combination with the total number of new shares issued, or exempted from printing. However, a centralized securities depository enterprise shall be contracted for registration or custody.</p>	<p>In line with decrees and regulations, amend the text.</p>

Before amendment	After amendment	Amendment reason
<p>Article 28: At the end of each fiscal year, the Board of Directors shall prepare the following statements, which shall be submitted to the annual shareholders' meeting for acceptance and approval according to the law:</p> <p>(I) Business report. (II) Financial statements. (III) Proposals for profit or loss appropriation.</p>	<p>Article 28: At the end of each fiscal year, the Board of Directors shall prepare the following statements, which shall be submitted to the annual shareholders' meeting for acceptance and approval according to the law:</p> <p>(I) Business report. (II) Financial statements. (III) Proposals for profit or loss appropriation.</p> <p><u>The Company's appropriation of profit or loss shall be conducted after the end of each quarter.</u></p>	<p>In line with decrees and regulations, amend the text.</p>
<p>Article 29: If the Company makes profits for the year, of which the employee remuneration shall not be less than 0.1% of the pre-tax benefits and the director remuneration shall not be more than 1% of the pre-tax benefits, the remuneration shall be distributed after the resolution of the Board of Directors and reported to the Board of Directors. However, if the Company still has accumulated losses, the compensation amount shall be reserved in advance. When the employee remuneration <u>belongs to stock allotment</u>, the allotment objects shall include employees of <u>the Company's subsidiaries</u> who meet certain conditions.</p> <p>The Company shall grasp the changing characteristics of the operating economic environment in order to achieve sustainable operation and long-term development. The Board of Directors shall pay attention to the stability and growth of dividends when formulating the appropriation of earnings, and shall decide on the most</p>	<p>Article 29: If the Company makes profits for the year, of which the employee remuneration shall not be less than 0.1% of the pre-tax benefits and the director remuneration shall not be more than 1% of the pre-tax benefits, the remuneration shall be distributed after the resolution of the Board of Directors and reported to the Board of Directors. However, if the Company still has accumulated losses, the compensation amount shall be reserved in advance. The allotment objects of remuneration shall include employees of subsidiaries who meet certain conditions, <u>which shall be authorized to the Board of Directors for decision.</u></p> <p>The Company shall grasp the changing characteristics of the operating economic environment in order to achieve sustainable operation and long-term development. The Board of Directors shall pay attention to the stability and growth of dividends when formulating the appropriation of earnings, and shall decide on the most</p>	<p>In line with decrees and regulations, amend the text.</p>

Before amendment	After amendment	Amendment reason
<p>appropriate method for dividend policy payment depending on the operating conditions of <u>the current year</u> and considering the capital budget planning for <u>the following year</u>.</p>	<p>appropriate method for dividend policy payment depending on the operating conditions and considering the capital budget planning.</p>	
<p>Article 29-1: <u>For the net profit obtained by the Company after the final accounts of each year, in addition to all payments of taxes in accordance with the law, the Company shall first cover the deficit of previous years, and then allocate 10% of the balance as statutory surplus reserve fund and allocate or reverse special reserve in accordance with laws and regulations, unless the statutory surplus reserve has reached the paid-in capital amount of the Company. And then add the beginning undistributed surplus with the balance to get the accumulated distributable surplus. The above accumulated distributable surplus shall be allocated not less than 20% for the shareholders' dividend. The Board of Directors shall prepare the proposal for distribution and submit it to the shareholders' meeting for resolution. When distributing earnings, the cash part of shareholders' dividends shall not be less than 10% of the amount distributed to shareholders.</u></p>	<p>Article 29-1: <u>The Company's appropriation of profit or loss shall be conducted after the end of each quarter. If there is surplus in the quarterly final accounts, the Company shall estimate and reserve the taxable contributions, cover the accumulated deficit (including adjusting amount of undistributed surplus), estimate and reserve the employees' remuneration, and then allocate 10% as statutory surplus reserve, unless the statutory surplus reserve has reached the paid-in capital amount. In addition, the special surplus reserve shall be allocated or reversed in accordance with laws and regulations or regulations of Competent Authority. If there is still any surplus, add the remaining balance with the accumulated undistributed surplus in previous quarter to form shareholders' dividends. And the Board of Directors shall prepare the proposal for distribution. When the method of issuing new shares is taken, it shall be submitted to the shareholders' meeting for resolution and then distributed. When distributing earnings, the cash part of shareholders' dividends shall not be less than 10% of the amount distributed to shareholders. If the Company distributes all or part of the dividends or statutory surplus reserves and capital reserves by means of cash disbursement, it shall authorize the Board of Directors with over two-thirds of the directors attending the</u></p>	<p>In line with decrees and regulations and practical demands, amend the text.</p>

Before amendment	After amendment	Amendment reason
	<u>meeting and conduct after approval of a majority of the directors attending the meeting, which shall be reported to the shareholders' meeting.</u>	
<p>Article 34 The Article was established on January 12, 1980.</p> <p>The first amendment was made on November 17, 1980. (omitted below)</p> <p>The thirty-fifth amendment will be made on June 13, 2017.</p>	<p>Article 34 The Article was established on January 12, 1980.</p> <p>The first amendment was made on November 17, 1980. (omitted below)</p> <p>The thirty-fifth amendment was made on June 13, 2017.</p> <p>The thirty-sixth amendment will be made on June 10, 2019.</p>	<p>Add Amendment Date.</p>

Attachment III

Comparative Table of Amendments to the Processing Procedures for Acquisition or Disposal of Assets by Highwealth Construction Corporation

Before amendment	After amendment	Amendment reason
<p>Article 2 The applicable scopes <u>of</u> the assets referred to in the Procedures are shown as follows:</p> <p>I. Investments of stocks, bonds, corporate bonds, financial bonds, negotiable securities of recognition fund, <u>call (put) warrants, depository receipts</u>, beneficiary securities, asset-backed securities, etc.</p> <p>II. Immovable property (including land, houses and buildings, investment immovable property, <u>and application rights</u>, and inventories of construction enterprises) and equipment.</p> <p>III. Membership card.</p> <p>IV. Intangible assets such as patent rights, copyrights, trademarks and concessions.</p> <p>V. Creditor's rights of the financial institution (including receivables, remittance bought and discount, and loans and over-due loans).</p> <p>VI. Derivatives.</p> <p>VII. Assets acquired or disposed of by merger, division, acquisition, or share transfer in accordance with laws and regulations.</p> <p>VIII. Other important assets.</p>	<p>Article 2 The applicable scopes of the assets referred to in the Procedures are shown as follows:</p> <p>I. Investments of stocks, bonds, corporate bonds, financial bonds, negotiable securities of recognition fund, <u>depository receipts, call (put) warrants</u>, beneficiary securities, asset-backed securities, etc.</p> <p>II. Immovable property (including land, houses and buildings, investment immovable property, and inventories of construction enterprises) and equipment.</p> <p>III. Membership card.</p> <p>IV. Intangible assets such as patent rights, copyrights, trademarks and concessions.</p> <p><u>V. Right-of-use assets.</u></p> <p><u>VI.</u> Creditor's rights of the financial institution (including receivables, remittance bought and discount, and loans and over-due loans).</p> <p><u>VII.</u> Derivatives.</p> <p><u>VIII.</u> Assets acquired or disposed of by merger, division, acquisition, or share transfer in accordance with laws and regulations.</p> <p><u>IX.</u> Other important assets.</p>	<p>Amend in line with decrees and regulations.</p>

Before amendment	After amendment	Amendment reason
<p>Article 3 Definition of Terms</p> <p>I. Derivatives: means the values of forward contracts, options contracts, future contracts, leveraged margin contracts, exchange contracts, <u>and composite contracts of above commodities derived from <u>assets</u>, interest rates, exchange rates, indexes, or other <u>benefits</u></u>. The term of forward contract does not include insurance contract, performance contract, after-sales service contract, long-term lease contract or long-term purchase (sale) <u>agreement</u>.</p> <p>II. Assets acquired or disposed of by merger, division, acquisition or share transfer: means assets acquired or disposed of by merger, division or acquisition in accordance with the Enterprises Mergers and Acquisitions Act, the Financial Holding Company Act, the Financial Institutions Merger Act, or any other laws, or the issued new share transferred to another company (hereinafter referred to as share transfer) regulated in Article 156 <u>Paragraph VI</u> of the Company Act.</p> <p>III. Related parties and subsidiaries: shall be identified in accordance with the Standards for the Preparation of Financial Reports of Securities Issuers.</p> <p>IV. Professional appraiser: means the real estate appraiser or any other</p>	<p>Article 3 Definition of Terms</p> <p>I. Derivatives: means the values of forward contracts, options contracts, future contracts, leveraged margin contracts, exchange contracts, <u>combination of above contracts, or composite contracts or structured products of embedded derivatives</u> derived from <u>special</u> interest rates, <u>instrument prices, commodity prices, exchange rates, price or rate indexes, credit rating or credit indexes</u>, or other <u>variables</u>. The term of forward contract does not include insurance contract, performance contract, after-sales service contract, long-term lease contract or long-term purchase (sale) <u>contract</u>.</p> <p>II. Assets acquired or disposed of by merger, division, acquisition or share transfer: means assets acquired or disposed of by merger, division or acquisition in accordance with the Enterprises Mergers and Acquisitions Act, the Financial Holding Company Act, the Financial Institutions Merger Act, or any other laws, or the issued new share transferred to another company (hereinafter referred to as share transfer) regulated in Article 156-<u>3</u> of the Company Act.</p> <p>III. Related parties and subsidiaries: shall be identified in accordance with the Standards for the Preparation of Financial Reports of Securities Issuers.</p> <p>IV. Professional appraiser: means the real estate appraiser or any other</p>	<p>Amend in line with decrees and regulations.</p>

Before amendment	After amendment	Amendment reason
<p>person who may engage in real estate and equipment appraisal business in accordance with laws and regulations.</p> <p>V. Date of occurrence: in principle, shall be subject to signing date of transaction contract, date of payment, date of entrust transaction, date of transfer ownership, date of resolution of the Board of Directors, or other date sufficient to determine the transaction object and amount (whichever is the former shall prevail); however, for overseas investor, the former of the opening date or the date of receipt of the Competent Authority's approval letter shall prevail.</p> <p>VI. Mainland investment: means mainland investment undertaken in accordance with licensing measures for investment or technical cooperation in mainland region issued by the Investment Review Commission of the Ministry of Economic Affairs.</p>	<p>person who may engage in real estate and equipment appraisal business in accordance with laws and regulations.</p> <p>V. Date of occurrence: means the signing date of transaction contract, date of payment, date of entrust transaction, date of transfer ownership, date of resolution of the Board of Directors, or other date sufficient to determine the transaction object and amount shall be prevail. However, for the investor approved by the Competent Authority, the former of the opening date or the date of receipt of approval by the Competent Authority shall prevail.</p> <p>VI. Mainland investment: means mainland investment undertaken in accordance with licensing measures for investment or technical cooperation in mainland region issued by the Investment Review Commission of the Ministry of Economic Affairs.</p> <p><u>VII. Investment professional: means the financial holding company, bank, insurance company, securities financial company, trust enterprise, securities firm engaged in self-operated business or underwriting business, futures commission merchant engaged in self-operated business, securities investment trust enterprise, securities investment consulting enterprise, and fund management company established in accordance with the provisions of the law and managed by the local financial authority.</u></p>	

Before amendment	After amendment	Amendment reason
	<p><u>VIII. Stock exchange: domestic stock exchange, means Taiwan Stock Exchange Co., Ltd.; foreign stock exchange means any organized securities exchange market managed by the securities competent authority of that country.</u></p> <p><u>IX. Place of business of the securities firm: domestic place of business of the securities firm means the place where the securities firm specially set up the counter to conduct transaction in accordance with the Measures for Administration of Securities Trading at Place of Business of the Securities Firm; foreign place of business of the securities firm means the place of business of financial institution conducting securities business under the administration of the foreign securities authority.</u></p>	
<p>Article 4 The total amount of investment in immovable property or securities for non-business use and the limit on investment in individual securities</p> <p>The investment scope and authorized amount of the subsidiaries shall be conducted according to the Company:</p> <p>I. The amount of immovable property and equipment acquired for business use: shall refer to the actual need.</p> <p>II. The amount of immovable property acquired for non-business use: shall not exceed <u>20% of the paid-in capital</u> of the Company.</p>	<p>Article 4 The total amount of investment in immovable property <u>and right-of-use asset</u> or securities for non-business use and the limit on investment in individual securities</p> <p>The investment scope and authorized amount of the subsidiaries shall be conducted according to the Company:</p> <p>I. The amount of immovable property and equipment acquired for business use: shall refer to the actual need.</p> <p>II. The amount of immovable property <u>and right-of-use asset</u> acquired for non-business use: shall not exceed <u>100% of the net value</u> of the Company.</p>	<p>1. Amend in line with decrees and regulations.</p> <p>2. Amend the total amount of investment in immovable property and its right-of-use asset or securities for non-business</p>

Before amendment	After amendment	Amendment reason
<p>III. Total investment in negotiable securities and limit on individual securities: the total investment shall not exceed the <u>paid-in capital</u> of the Company, and the investment in individual securities shall not exceed 20% of the <u>paid-in capital</u> of the Company.</p>	<p>III. Total investment in negotiable securities and limit on individual securities: the total investment shall not exceed <u>40% of the net value</u> of the Company, and the investment in individual securities shall not exceed 20% of the <u>net value</u> of the Company.</p>	<p>use and the limit on investment in individual securities.</p>
<p>Article 5 The professional appraiser and the appraising personnel, accountant, lawyer or securities underwriter of the appraisal report or opinion of accountant, lawyer or securities underwriter obtained by the Company <u>shall not be related parties to the transaction party.</u></p>	<p>Article 5 The professional appraiser and the appraising personnel, accountant, lawyer or securities underwriter of the appraisal report or opinion of accountant, lawyer or securities underwriter obtained by the Company shall <u>conform to the following regulations:</u></p> <p>I. <u>Has not been sentenced to a term of imprisonment for more than one year because of breaking the Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Commercial Accounting Act, or committing criminal activities of fraud, breach of faith, embezzlement, forgery of documents, or business crime. However, this restriction shall not apply to person who has completed the execution, has passed the probation or three years have passed after the pardon.</u></p> <p>II. <u>The situation in which the parties to a transaction are not entitled to be receivables related parties or substantial parties.</u></p> <p>III. <u>The situation in which the appraisers of different professions or appraisers shall not be other receivables related parties to each</u></p>	<p>Amend in line with decrees and regulations.</p>

Before amendment	After amendment	Amendment reason
	<p><u>other or have substantial relations with each other, if the Company is required to obtain the appraisal report from two or more professional appraisers.</u></p> <p><u>When issuing the appraisal report or opinion, the personnel mentioned in the preceding paragraph shall follow the following items:</u></p> <p><u>I. Before accepting a case, the personnel shall carefully evaluate the professional ability, practical experience and independence.</u></p> <p><u>II. When examining a case, the personnel shall properly plan and implement appropriate operational procedures to arrive at conclusions, on the basis of which reports or submissions shall be issued; shall record and publish the executive procedures, data collection and conclusions in the working paper of the case.</u></p> <p><u>III. The completeness, correctness, and reasonableness of the data sources, parameters and information used shall be evaluated item by item to serve as the basis for issuing the appraisal report or opinion.</u></p> <p><u>IV. The declaration shall include matters such as the professionalism and independence of the relevant personnel, the reasonableness and correctness of the information used and assessed, and relevant laws and regulations followed.</u></p>	
<p>Article 6 The processing procedures or other laws and regulations <u>formulated</u> for the acquisition or disposal of assets by the Company shall be approved by the Board of</p>	<p>Article 6 The processing procedures or other laws and regulations <u>determined</u> for the acquisition or disposal of assets by the Company shall be approved by the Board of Directors. If</p>	<p>Amend in line with decrees and regulations.</p>

Before amendment	After amendment	Amendment reason
<p>Directors. If any director disagrees with record or written statement, the Company shall submit the disagreement information of the directors to the Audit Committee.</p> <p>(omitted below)</p>	<p>any director disagrees with record or written statement, the Company shall submit the disagreement information of the directors to the Audit Committee.</p> <p>(omitted below)</p>	
<p>Article 7 Procedures for acquiring or disposing of immovable property and equipment</p> <p>I. Authorization levels and limits of trade terms: The acquisition or disposal of assets with a single amount over <u>100 million NT dollars</u> shall be <u>managed</u> after examination and approval by the Board of Directors; the acquisition or disposal of assets with a single amount <u>between 50 million NT dollars and 100 million NT dollars shall be submitted to the chairman by the undertaker for approval and be submitted to the Board of Directors for ratification</u>; the acquisition or disposal of assets with <u>a single amount less than 50 million NT dollars</u> shall be managed after examination and approval by the <u>General Manager</u>.</p> <p>II. If the acquisition or disposal of assets is an important matter regulated in Article 185 of the Company Act, it shall submitted to the Board of Directors for resolution and the shareholders' meeting for approval after agreement by the Audit Committee.</p> <p>III. Assessment and operation procedures:</p>	<p>Article 7 Procedures for acquiring or disposing of immovable property, equipment <u>or its right-of-use asset</u></p> <p>I. Authorization levels and limits of trade terms: The acquisition or disposal of assets with a single amount over 300 million NT dollars shall be <u>managed only after</u> examination and approval by the Board of Directors; the acquisition or disposal of assets with a single amount less than 300 million NT dollars shall be managed after examination and approval by the <u>chairman</u>.</p> <p>II. If the acquisition or disposal of assets is an important matter regulated in Article 185 of the Company Act, it shall submitted to the Board of Directors for resolution and the shareholders' meeting for approval after agreement by the Audit Committee.</p> <p>III. Assessment and operation procedures:</p>	<p>1. Amend in line with decrees and regulations.</p> <p>2. Amendment of the authorization limits of trade terms.</p>

Before amendment	After amendment	Amendment reason
<p>(I) The Company's acquiring and disposing of assets shall be managed in accordance with the procurement and payment procedures of the internal control system and the <u>fixed</u> assets cycle procedures.</p> <p>(II) For the Company's acquiring and disposing of assets, the special appraiser with objectivity and fairness and independence shall be authorized in accordance with the following provisions to issue the opinions: For the Company's acquiring and disposing of immovable property <u>or</u> equipment, in addition to transactions <u>with</u> government agencies, construction on the own land, construction on the leased land, or acquisition or disposal of equipment for business use, if the transaction amount reaches 20 percent of the paid-in capital or is over 300 million NT dollars, the sponsoring department shall obtain the appraisal report issued by the professional appraiser before the date of occurrence, which shall comply with the following provisions:</p> <p>1. When it is necessary to take the fixed price, specific price, or special price as the reference basis of the transaction price for special reasons, the transaction shall</p>	<p>(I) The Company's acquiring and disposing of assets shall be managed in accordance with the procurement and payment procedures of the internal control system and the cycle procedures of <u>immovable property, plant and equipment.</u></p> <p>(II) For the Company's acquiring and disposing of assets, the special appraiser with objectivity and fairness and independence shall be authorized in accordance with the following provisions to issue the opinions: For the Company's acquiring and disposing of immovable property, <u>equipment or its right-of-use assets,</u> in addition to transactions with <u>domestic</u> government agencies, construction on the own land, construction on the leased land, or acquisition or disposal of equipment <u>or its right-of-use assets</u> for business use, if the transaction amount reaches 20 percent of the paid-in capital or is over 300 million NT dollars, the sponsoring department shall obtain the appraisal report issued by the professional appraiser before the date of occurrence, which shall comply with the following provisions:</p> <p>1. When it is necessary to take the fixed price, specific price, or special price as the reference basis of the transaction price for special reasons, the transaction shall</p>	

Before amendment	After amendment	Amendment reason
<p>first be submitted to the Board of Directors for approval and resolution. If the trade terms change <u>in the future, the above procedures shall also be followed.</u></p> <p>(omitted below)</p>	<p>first be submitted to the Board of Directors for approval and resolution. <u>The same</u> shall apply to changes in trade terms <u>afterwards.</u></p> <p>(omitted below)</p>	
<p>Article 8 Procedures for acquiring or disposing of negotiable securities investment, <u>membership cards</u> or intangible assets</p> <p>I. Authorization levels and limits of trade terms:</p> <p>(I) Transactions of negotiable securities, <u>membership cards</u> or intangible assets on the centralized trading market or at the place of business of securities firm shall be determined by the responsible unit based on the analysis of market conditions. If the amount of transaction is less than <u>100</u> million NT dollars, the responsible unit shall submit it to the chairman for approval; if the amount of transaction exceeds <u>100</u> million NT dollars, it shall be submitted to the Board of Directors for approval.</p> <p>(II) For transactions of negotiable securities not on the centralized trading market or not at the place of business of the securities firm, the most recent financial statements of the underlying company audited, certified, or reviewed by the certified public accountant shall be taken as a reference for evaluating the</p>	<p>Article 8 Procedures for acquiring or disposing of negotiable securities investment, intangible assets, <u>its right-of-use assets or membership cards</u></p> <p>I. Authorization levels and limits of trade terms:</p> <p>(I) Transactions of negotiable securities and intangible assets <u>or its right-of-use assets, or membership cards</u> on the centralized trading market or at the place of business of securities firm shall be determined by the responsible unit based on the analysis of market conditions. If the amount of transaction is less than <u>500</u> million NT dollars, the responsible unit shall submit it to the chairman for approval; if the amount of transaction exceeds <u>500</u> million NT dollars, it shall be submitted to the Board of Directors for approval.</p> <p>(II) For transactions of negotiable securities not on the centralized trading market or not at the place of business of the securities firm, the most recent financial statements of the underlying company audited, certified, or reviewed by the certified public accountant shall be taken as a reference for evaluating the</p>	<p>1. Amend in line with decrees and regulations.</p> <p>2. Amendment of the authorization limits of trade terms.</p>

Before amendment	After amendment	Amendment reason
<p>transaction price to consider its net worth per share, profitability, and future development potential. If the amount is less than <u>100</u> million (including) NT dollars, it shall be submitted to the chairman for approval by undertaking unit. If the amount exceeds <u>100</u> million NT dollars, it can be conducted only after approval by the Board of Directors.</p> <p>II. Assessment and operation procedures:</p> <p>(I) The Company's purchase and sale of long-term and short-term negotiable securities shall be managed in accordance with the investment cycle operation of the Company's internal control system.</p> <p>(II) If the amount of the Company's acquiring and disposing of negotiable securities reaches 20 percent of the paid-in capital of the Company or 300 million NT dollars or more, the certified public accountant shall be requested to express his opinions on the reasonableness of the transaction price before the date of occurrence. If the certified public accountant needs to adopt expert reports, it shall be managed in accordance with the Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation. However, this restriction shall not apply to the negotiable securities with public offer in flexible market or otherwise</p>	<p>transaction price to consider its net worth per share, profitability, and future development potential. If the amount is less than <u>300</u> million (including) NT dollars, it shall be submitted to the chairman for approval by undertaking unit. If the amount exceeds <u>300</u> million NT dollars, it can be conducted only after approval by the Board of Directors.</p> <p>II. Assessment and operation procedures:</p> <p>(I) The Company's purchase and sale of long-term and short-term negotiable securities shall be managed in accordance with the investment cycle operation of the Company's internal control system.</p> <p>(II) If the amount of the Company's acquiring and disposing of negotiable securities reaches 20 percent of the paid-in capital of the Company or 300 million NT dollars or more, the certified public accountant shall be requested to express his opinions on the reasonableness of the transaction price before the date of occurrence. If the certified public accountant needs to adopt expert reports, it shall be managed in accordance with the Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation. However, this restriction shall not apply to the negotiable securities with public offer in flexible market or otherwise</p>	

Before amendment	After amendment	Amendment reason
<p>specified by the Financial Regulatory Commission (hereinafter referred to as the FRC).</p> <p>(III) If the transaction amount of the Company's acquiring and disposing of <u>membership cards</u> or intangible assets reaches the provision of preceding Paragraph (II), except for business with government agencies, the certified public accountant shall be requested express his opinion on the reasonableness of the transaction price before the date of occurrence, and the certified public accountant shall manage in accordance with the Statement of Auditing Standards No. 20.</p> <p>(omitted below)</p>	<p>specified by the Financial Regulatory Commission (hereinafter referred to as the FRC).</p> <p>(III) If the transaction amount of the Company's acquiring and disposing of intangible assets, <u>its right-of-use assets, or membership cards</u> reaches the provision of preceding Paragraph (II), except for business with domestic government agencies, the certified public accountant shall be requested express his opinion on the reasonableness of the transaction price before the date of occurrence, and the certified public accountant shall manage in accordance with the Statement of Auditing Standards No. 20.</p> <p>(omitted below)</p>	
<p>Article 9 Procedures for transaction with related parties</p> <p>I. The Company's acquiring and disposing of assets with related parties, shall be managed in accordance with the provisions of Article 6 and the processing procedures for acquiring and disposing of immovable property and equipment under Article 7. In addition to the matters such as the assessment of reasonableness of trade terms of relevant processing procedures shall be managed in accordance with the following provisions, if the transaction amount reaches 10% or more of the total assets of the Company, the appraisal report or CPA's opinion issued by</p>	<p>Article 9 Procedures for transaction with related parties</p> <p>I. The Company's acquiring and disposing of assets with related parties, shall be managed in accordance with the provisions of Article 6 and the processing procedures for acquiring and disposing of immovable property, equipment or its right-of-use assets under Article 7. In addition to the items such as the assessment of reasonableness of trade terms of relevant processing procedures shall be managed in accordance with the following provisions, if the transaction amount reaches 10% or more of the total assets of the Company, the appraisal report or</p>	<p>Amend in line with decrees and regulations.</p>

Before amendment	After amendment	Amendment reason
<p>the professional appraiser shall also be obtained in accordance with the provisions. The calculation of the preceding paragraph transaction amount shall be conducted in accordance with Article 12, and the term "within one year" shall be one year calculated retrospectively since the date of occurrence. And the appraisal report or CPA's opinion issued by the professional appraiser in accordance with the operation provision shall not be included. Besides, when judging whether the transaction object is a related party, in addition to its legal form, the substantive relationship shall also be considered.</p> <p>II. If the transaction amount of the Company's acquiring and disposing of immovable property from related parties or other assets in addition to the acquisition or disposal of immovable property with related parties reaches 20 percent of the paid-in capital of the Company, 10 percent of the total assets, or 300 million NT dollars or more, except for buying and selling government bonds, bonds attached repurchase or redemption conditions, and purchase or repurchase money market funds issued by the domestic securities investment trust enterprise, the following information shall be submitted to the Audit Committee for approval and the Board of Directors for approval before signing the transaction contract and payment:</p>	<p>CPA's opinion issued by the professional appraiser shall also be obtained in accordance with the provisions. The calculation of the preceding paragraph transaction amount shall be conducted in accordance with Article 12, and the term "within one year" shall be one year calculated retrospectively since the date of occurrence. And the appraisal report or CPA's opinion issued by the professional appraiser in accordance with the operation provision shall not be included. Besides, when judging whether the transaction object is a related party, in addition to its legal form, the substantive relationship shall also be considered.</p> <p>II. If the transaction amount of the Company's acquiring or disposing of immovable property <u>or its right-of-use assets</u> from related parties or other assets in addition to the Company's acquiring or disposing of immovable property or <u>its right-of-use assets</u> with related parties reaches 20 percent of the paid-in capital of the Company, 10 percent of the total assets, or 300 million NT dollars or more, except for buying and selling domestic government bonds, bonds attached repurchase or redemption conditions, and purchase or repurchase money market funds issued by the domestic securities investment trust enterprise, the following information shall be submitted to the Audit Committee for approval and to the Board of Directors for approval before signing the transaction contract and payment:</p>	

Before amendment	After amendment	Amendment reason
<p>(I) Purpose, necessity, and estimated benefits of the acquisition or disposal of assets.</p> <p>(II) The reason for selecting a related party as transaction object.</p> <p>(III) The relevant information of reasonableness of the intended transaction terms shall be assessed in accordance with Paragraph IV (I) and (IV) of this Article for the immovable property acquired from related parties.</p> <p>(IV) The related parties' original acquisition date and price, transaction object, and its relationship with the Company, etc.</p> <p>(V) Estimate forecast statement of cash deposit and withdrawal for each month of the next year since the estimated contract month, and assess the necessity of transaction and the reasonableness of funds application.</p> <p>(VI) Appraisal report issued by the professional appraiser or CPA's opinion obtained in accordance with Paragraph I.</p> <p>(VII) Restricted conditions of the current transaction and other important agreed items.</p> <p>(VIII) The calculation of the transaction amount shall be conducted in accordance with Article 12, and the term "within one year" shall be one year calculated retrospectively</p>	<p>(I) Purpose, necessity, and estimated benefits of the acquisition or disposal of assets.</p> <p>(II) The reason for selecting a related party as transaction object.</p> <p>(III) The relevant information of reasonableness of the intended transaction terms shall be assessed in accordance with Paragraph 4 (I) and (IV) of this Article for the immovable property <u>or its right-of-use assets</u> acquired from related parties.</p> <p>(IV) The related parties' original acquisition date and price, transaction object, and its relationship with the Company, etc.</p> <p>(V) Estimate forecast statement of cash deposit and withdrawal for each month of the next year since the estimated contract month, and assess the necessity of transaction and the reasonableness of funds application.</p> <p>(VI) Appraisal report issued by the professional appraiser or CPA's opinion obtained in accordance with Paragraph I.</p> <p>(VII) Restricted conditions of the current transaction and other important agreed items.</p> <p>(VIII) The calculation of the transaction amount shall be conducted in accordance with Article 12, and the term "within one year" shall be one year calculated retrospectively</p>	

Before amendment	After amendment	Amendment reason
<p>since the date of occurrence. And the approval by the Audit Committee and Board of Directors in accordance with the operation regulations shall not be included.</p> <p>III. The Board of Directors shall, in accordance with Article 7, authorize the chairman to make a decision on the <u>acquisition or disposal of equipment for business use</u> between the Company and subsidiaries within 100 million NT dollars, and thereafter submit the decision to the lasted Board of Directors for ratification.</p> <p>IV. Assessment of the reasonableness of transaction cost: (I) The reasonableness of transaction cost shall be assessed in accordance with the following methods for the Company acquiring immovable property from related parties:</p> <p>1. Add necessary funds interests and the costs of buyer's account on the transaction price of related parties. The called necessary funds interest cost shall be calculated based on the weighted average interest rate of the borrowings in the</p>	<p>since the date of occurrence. And the approval by the Audit Committee and Board of Directors in accordance with the operation regulations shall not be included.</p> <p>III. The Board of Directors may, in accordance with Article 7, authorize the chairman of the Board of Directors to make a decision on the <u>following transactions</u> within 100 million NT dollars between the Company and subsidiaries, or subsidiaries <u>whose 100% issued stocks or total capital were directly or indirectly held by the Company</u>, and report to the latest Board of Directors for ratification afterwards: (I) <u>Acquisition or disposal of equipment or its right-to-use assets for business use.</u> (II) <u>Acquisition or disposal of immovable property right-of-use assets for business use.</u></p> <p>IV. Assessment of the reasonableness of transaction cost: (I) The reasonableness of transaction cost shall be assessed in accordance with the following methods for the Company acquiring immovable property <u>or its right-of-use assets</u> from related parties:</p> <p>1. Add necessary funds interests and the costs of buyer's account on the transaction price of related parties. The interest cost of necessary funds referred to herein shall be calculated based on the weighted average interest rate of the</p>	

Before amendment	After amendment	Amendment reason
<p>year when the company purchases the assets, which shall not be higher than the maximum borrowing rate for non-financial enterprises announced by the Ministry of Finance.</p> <p>2. If related parties have established the mortgage loan with the subject matter to the financial institution, the financial institution shall assess the total loan value of the subject matter. And the actual accumulated value of the loan of the subject item assessed by the financial institution shall reach 70% or more of the total loan assessed value, and the loan period shall have exceeded one year. However, it shall not apply if the financial institution and one of the trading parties are related to each other.</p> <p>(II) If the consolidated purchase is conducted for the same subject land and house, the transaction costs shall be assessed in accordance with any of the methods mentioned in the preceding Paragraph for the land and house.</p> <p>(III) For the Company acquiring of immovable property from related parties, the cost of immovable property shall be assessed in accordance with Paragraph IV (I) of this Article, and the certified public</p>	<p>borrowings in the year when the company purchases the assets, which shall not be higher than the maximum borrowing rate for non-financial enterprises announced by the Ministry of Finance.</p> <p>2. If related parties have established the mortgage loan with the subject matter to the financial institution, the financial institution shall assess the total loan value of the subject matter. And the actual accumulated value of the loan of the subject item assessed by the financial institution shall reach 70% or more of the total loan assessed value, and the loan period shall have exceeded one year. However, it shall not apply if the financial institution and one of the trading parties are related to each other.</p> <p>(II) If the consolidated purchase or lease is conducted for the same subject land and house, the transaction costs shall be assessed in accordance with any of the methods mentioned in the preceding Paragraph for the land and house.</p> <p>(III) For the Company acquiring of immovable property <u>or its right-of-use assets</u> from related parties, the cost of immovable property shall be assessed in accordance with Paragraph IV (I) of this Article, and the</p>	

Before amendment	After amendment	Amendment reason
<p>accountant shall be requested to review and express specific opinions.</p> <p>(IV) In any of the following circumstances, the Company's acquisition of immovable property from related parties shall be managed in accordance with Paragraph II of Article 9 of the Procedures, and the preceding three paragraphs shall not apply:</p> <ol style="list-style-type: none"> 1. Related parties acquire immovable property through inheritance or bestowal. 2. It has been more than five years since related parties contract for the acquisition of the immovable property from the contract date of this transaction. 3. Sign co-construction contract with related parties, or authorize related parties to build and acquire the immovable property, such as construction on the own land and construction on the leased land. <p>(V) If the appraisal results are lower than the transaction price</p>	<p>certified public accountant shall be requested to review and express specific opinions</p> <p>(IV) In any of the following circumstances, the Company's acquisition of immovable property <u>or its right-of-use assets</u> from related parties shall be managed in accordance with Paragraph II of Article 9 of the Procedures, and the preceding three paragraphs shall not apply:</p> <ol style="list-style-type: none"> 1. Related parties acquire immovable property or <u>its right-of-use assets</u> through inheritance or bestowal. 2. It has been more than five years since related parties contract for the acquisition of the immovable property <u>or its right-of-use assets</u> from the contract date of this transaction. 3. Sign co-construction contract with related parties, or authorize related parties to build and acquire the immovable property, such as construction on the own land and construction on the leased land. 4. <u>The Company and its subsidiaries, or its subsidiaries whose 100% issued shares or total capital are directly or indirectly held by the Company, acquire immovable right-of-use assets for business use from each other.</u> <p>(V) If the appraisal results are lower than the transaction price</p>	

Before amendment	After amendment	Amendment reason
<p>in accordance with Paragraph IV (I) of this Article for the Company acquiring immovable property from related parties, it shall be managed in accordance with Paragraph IV(VI) of this Article. However, this restriction shall not apply if it is under the following circumstances, objective evidence is presented and the opinions of the professional appraiser of immovable property and the certified public accountant on the specific reasonableness are obtained:</p> <p>1. Related parties are the re- constructor of the acquiring original land or the leased land, whose evidence shall meet any of the following conditions:</p> <p>(1) The original land shall be assessed in accordance with the method prescribed in the preceding Article, and the house shall be calculated in accordance with the summation of the construction cost plus the reasonable construction profit of the related party exceeding the actual transaction price. The called reasonable construction profit shall be the lower of the average gross operating profit margin</p>	<p>in accordance with Paragraph IV (I) of this Article for the Company acquiring immovable property or <u>its right-of-use assets</u> from related parties, it shall be managed in accordance with Paragraph IV(VI) of this Article. However, this restriction shall not apply if it is under the following circumstances, objective evidence is presented and the opinions of the professional appraiser of immovable property and the certified public accountant on the specific reasonableness are obtained:</p> <p>1. Related parties are the re- constructor of the acquiring original land or the leased land, whose evidence shall meet any of the following conditions:</p> <p>(1) The original land shall be assessed in accordance with the method prescribed in the preceding Article, and the house shall be calculated in accordance with the summation of the construction cost plus the reasonable construction profit of the related party exceeding the actual transaction price. The called reasonable construction profit shall be the lower of the average gross operating profit margin</p>	

Before amendment	After amendment	Amendment reason
<p>of the construction department of related parties in the most recent three years or the gross profit margin of the most recent construction enterprise announced by the Ministry of Finance.</p> <p>(2) The transaction cases on other floors or in nearby area of the same subject estate with other non-related parties within one year sharing similar area, of which the trade terms shall be similar after the required reasonable floor or area spread assessment in accordance deal practice of immovable property.</p> <p>(3) <u>The rental case on other floor of the same subject estate with other non-related parties within one year, of which the trade terms shall be similar after the required reasonable floor spread assessment in accordance lease practice of immovable property.</u></p> <p>2. The Company shall provide evidence of immovable property purchased from related parties, of which the trade terms shall be similar to <u>transaction</u> cases with other non-related parties in nearby area within one year sharing similar area.</p>	<p>of the construction department of related parties in the most recent three years or the gross profit margin of the most recent construction enterprise announced by the Ministry of Finance.</p> <p>(2) The <u>transaction</u> cases on other floors or in nearby area of the same subject estate with other non-related parties within one year sharing similar area, of which the trade terms shall be similar after the required reasonable floor or area spread assessment in accordance deal <u>or lease</u> practice of immovable property.</p> <p>2. The Company shall provide evidence of immovable property purchased from related parties or <u>right-of-use assets of immovable property leased</u> from related parties, of which the trade terms shall be similar to <u>transaction</u> cases with other non-related parties in</p>	

Before amendment	After amendment	Amendment reason
<p>The term of "<u>deal case</u> in nearby area" in the preceding paragraph shall be on the principle of the same or adjacent street with a distance of less than 500 meters from the transaction subject or having the similar announced present value; the term of "similar area" shall be on the principle of the area of <u>deal case</u> with other non-related parties not less than 50% of the transaction subject area; the term of "one year" refers to one year retrospectively calculated on the basis of the date of occurrence for this acquisition of immovable property.</p> <p>(VI) If the appraisal results are lower than the transaction price in accordance with Paragraph IV(I) of this Article for the Company acquiring immovable property from related parties, the following items shall be managed:</p> <p>1. The Company shall allocate the special surplus reserve in accordance with Paragraph I of Article 41 of the Securities and Exchange Act for the difference between the transaction price of immovable property and the estimated cost, and</p>	<p>nearby area within one year sharing similar area.</p> <p>The term of "<u>transaction case</u> in nearby area" in the preceding paragraph shall be on the principle of the same or adjacent street with a distance of less than 500 meters from the transaction subject or having the similar announced present value; the term of "similar area" shall be on the principle of the area of <u>transaction case</u> with other non-related parties not less than 50% of the transaction subject area; the term of "one year" refers to one year retrospectively calculated on the basis of the date of occurrence for this acquisition of immovable property <u>or its right-of-use assets</u>.</p> <p>(VI) If the appraisal results are lower than the transaction price in accordance with Paragraph IV(I) of this Article for the Company acquiring immovable property <u>or its right-of-use assets</u> from related parties, the following items shall be managed:</p> <p>1. The Company shall allocate the special surplus reserve in accordance with Paragraph I of Article 41 of the Securities and Exchange Act for the difference between the transaction price of immovable property <u>or its right-of-use assets</u> and the</p>	

Before amendment	After amendment	Amendment reason
<p>shall not allocate or transfer the capital increase shares. If the investor who evaluates the investment of the Company adopting the equity method is the public company, the special surplus reserve shall be allocated in terms of allocated amount on the basis of shareholding ratio in accordance with Paragraph I of Article 41 of the Securities and Exchange Act.</p> <p>2. The Audit Committee shall act in accordance with Article 218 of the Company Act.</p> <p>3. The handling conditions of <u>Paragraph I and II</u> shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and prospectus.</p> <p>The special surplus reserve allocated by the Company and the public company that appraises the Company adopting equity method according to the provisions <u>mentioned above</u>, can only be used until the loss from falling price or disposal has been recognized, or appropriate compensation or reinstatement has been done for the assets purchased with high price, or there is other</p>	<p>estimated cost, and shall not allocate or transfer the capital increase shares. If the investor who evaluates the investment of the Company adopting the equity method is the public company, the special surplus reserve shall be allocated in terms of allocated amount on the basis of shareholding ratio in accordance with Paragraph I of Article 41 of the Securities and Exchange Act.</p> <p>2. The Audit Committee shall act in accordance with Article 218 of the Company Act.</p> <p>3. The handling conditions of <u>preceding two paragraphs</u> shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and prospectus.</p> <p>The special surplus reserve allocated by the Company and the public company that appraises the Company adopting equity method according to the <u>preceding</u> provisions, can only be used until the loss from falling price or disposal has been recognized, or <u>termination of tenancy</u>, appropriate compensation or reinstatement has been done for the assets purchased <u>or</u></p>	

Before amendment	After amendment	Amendment reason
<p>evidence showing that nothing is unreasonable, after approval by Financial Supervision Commission.</p>	<p><u>leased</u> with high price, or there is other evidence showing that nothing is unreasonable, after approval by Financial Supervision Commission.</p> <p><u>The Company's acquiring of immovable property or its right-of-use assets from related parties shall be managed according to preceding two provisions, if other evidence shows that there is non-conformance to business practice.</u></p>	
<p>Article 12 Procedures for Disclosure of Information</p> <p>I. The declared items and declaration standards shall be announced</p> <p>(I) The transaction amount of the immovable property acquired or disposal of from related parties or other assets in addition to the immovable property acquired or disposal of with related parties reaches 20% of the paid-in capital of the Company, 10% of total assets or over 300 million NT dollars. However, this restriction shall not apply to buying and selling government bonds, buying and selling bonds with call and put conditions, and purchase or repurchase money market fund issued by domestic securities investment trust enterprise.</p> <p>(II) Conduct merger, division, acquisition, or transfer of shares.</p> <p>(III) The loss incurred in conducting derivative trading</p>	<p>Article 12 Procedures for Disclosure of Information</p> <p>I. The declared items and declaration standards shall be announced</p> <p>(I) The transaction amount of the immovable property <u>or its right-of-use assets</u> acquired or disposal of from related parties or other assets in addition to the immovable property <u>or its right-of-use assets</u> acquired or disposal of with related parties reaches 20% of the paid-in capital of the Company, 10% of total assets or over 300 million NT dollars. However, this restriction shall not apply to buying and selling <u>domestic</u> government bonds, buying and selling bonds with call and put conditions, and purchase or repurchase money market fund issued by domestic securities investment trust enterprise.</p> <p>(II) Conduct merger, division, acquisition, or transfer of shares.</p> <p>(III) The loss incurred in conducting derivative trading</p>	<p>Amend in line with decrees and regulations</p>

Before amendment	After amendment	Amendment reason
<p>exceed the upper limit of all or individual contract losses specified in the <u>formulated</u> handling procedures.</p> <p>(IV) <u>The type of assets</u> acquired or disposed of belongs to equipment for business use, whose transaction object is not related parties, and the transaction amount reaches one of the following provisions:</p> <ol style="list-style-type: none"> 1. The paid-in capital of the Company does not reach 10 billion NT dollars, and the transaction amount reaches 500 million NT dollars. 2. The paid-in capital of the Company reaches 10 billion or above, and the transaction amount reaches 1 billion or above. <p>(V) The transaction object of the immovable property for construction use acquired or disposed of by the Company managing construction business is not related parties, and the transaction amount reaches 500 million NT dollars or above.</p>	<p>exceed the upper limit of all or individual contract losses specified in the <u>determined</u> handling procedures.</p> <p>(IV) The transaction object of the equipment <u>or its right-of-use assets</u> acquired or disposed of for business use is not related parties, and the transaction amount reaches one of the following provisions:</p> <ol style="list-style-type: none"> 1. The paid-in capital of the Company does not reach 10 billion NT dollars, and the transaction amount reaches 500 million NT dollars. 2. The paid-in capital of the Company reaches 10 billion or above, and the transaction amount reaches 1 billion or above. <p>(V) The transaction object of the immovable property <u>or its right-of-use assets</u> for construction use acquired or disposed of by the Company managing construction business is not related parties, and the transaction amount reaches 500 million NT dollars or above, <u>of which the amount of paid-in capital reaches 10 billion NT dollars or above for the dispose of immovable property completed by self-construction, the transaction object is related parties, and the transaction amount reaches 1 billion NT dollars or above.</u></p>	

Before amendment	After amendment	Amendment reason
<p>(VI) For the immovable property acquired by means of construction on own land, construction on leasing land, co-construction and sub-housing, co-construction and sub-division, and co-construction and sub-sale, the transaction amount that the Company expects to invest reaches 500 million NT dollars or above.</p> <p>(VII) The transaction amount of asset transaction, disposal of creditor's rights by financial institution or investment in mainland region other than those in preceding 6 paragraphs reaches 20% of the paid-in capital of the Company or 300 million NT dollars or above. However, this restriction does not apply to the following conditions:</p> <ol style="list-style-type: none"> 1. Buying and selling government bonds. 2. Investment professional's buying and selling negotiable securities in <u>foreign and domestic</u> stock exchange or place of business of securities firm, or subscribing for the issued ordinary company bonds in <u>domestic</u> basic-level marked and general financial bonds that do not involve equity, or securities firm's purchasing negotiable securities for the 	<p>(VI) For the immovable property acquired by means of construction on own land, construction on leasing land, co-construction and sub-housing, co-construction and sub-division, and co-construction and sub-sale, <u>whose transaction object is not related parties</u>, the transaction amount that the Company expects to invest reaches 500 million NT dollars or above.</p> <p>(VII) The transaction amount of asset transaction, disposal of creditor's rights by financial institution or investment in mainland region other than those in preceding 6 paragraphs reaches 20% of the paid-in capital of the Company or 300 million NT dollars or above. However, this restriction does not apply to the following conditions:</p> <ol style="list-style-type: none"> 1. Buying and selling <u>domestic</u> government bonds. 2. Investment professional's buying and selling negotiable securities in stock exchange or place of business of securities firm, or subscribing for the issued ordinary company bonds in basic-level marked and general financial bonds that do not involve equity (<u>not include subordinate bonds</u>), <u>or purchasing or repurchasing securities investment trusts or futures</u> 	

Before amendment	After amendment	Amendment reason
<p>requirement of underwriting business or acting as mentoring referral securities firm for emerging company in accordance with the provisions of gretai securities market of Republic of China in Consortium Act.</p> <p>3. Buying and selling bonds with call and put conditions, and purchase or repurchase money market fund issued by domestic securities investment trust enterprise. The transaction amount in the preceding paragraph shall be calculated as follows:</p> <ol style="list-style-type: none"> 1. Each transaction amount. 2. The accumulated amount of transactions of the same object acquired or disposed of with the same relative party within one year. 3. The accumulated amount of the acquired or disposed of (acquired or disposed of respectively) immovable property of the same development plan within one year. 4. The accumulated amount of the same negotiable securities acquired or disposed of (acquired or disposed of respectively) within one year. <p>The term "within one year" in</p>	<p>trusts, or securities firm's purchasing negotiable securities for the requirement of underwriting business or acting as mentoring referral securities firm for emerging company in accordance with the provisions of gretai securities market of Republic of China in Consortium Act.</p> <p>3. Buying and selling bonds with call and put conditions, and purchase or repurchase money market fund issued by domestic securities investment trust enterprise. The transaction amount in the preceding paragraph shall be calculated as follows:</p> <ol style="list-style-type: none"> 1. Each transaction amount. 2. The accumulated amount of transactions of the same object acquired or disposed of with the same relative party within one year. 3. The accumulated amount of the acquired or disposed of (acquired or disposed of respectively) immovable property <u>or its right-of-use assets</u> of the same development plan within one year. 4. The accumulated amount of the same negotiable securities acquired or disposed of (acquired or disposed of respectively) within one year. <p>The term "within one year" in</p>	

Before amendment	After amendment	Amendment reason
<p>the preceding paragraph refers to one year retrospectively calculated on the basis of the date of occurrence of the transaction, and the part of announcement shall be exempted from recalculation in accordance with the relevant provisions.</p> <p>II. The time limit for handling announcement and declaration The Company's acquiring or disposing of assets with items to be announced in Paragraph I of this Article and the transaction amount reaching the standards for announcement and declaration of this Article, shall be handled for the declaration and announcement within 2 days from the date of occurrence in accordance with the nature and regulated format.</p> <p>III. Procedures for declaration of announcement</p> <p>(I) The Company shall announce and declare the relevant information on the website designated by the Financial Supervisory Commission.</p> <p>(II) The Company shall, on the monthly basis, enter the transaction status engaged in derivatives of the Company and its non-domestic subsidiaries by the end of last month into the information declaration website designated by the Commission before tenth of each month in the regulated format.</p> <p>(III) The Company shall re-announce and re-declare all</p>	<p>the preceding paragraph refers to one year retrospectively calculated on the basis of the date of occurrence of the transaction, and the part of announcement shall be exempted from recalculation in accordance with the relevant provisions.</p> <p>II. The time limit for handling announcements and declaration The Company's acquiring or disposing of assets with items to be announced in Paragraph I of this Article and the transaction amount reaching the standards for announcement and declaration of this Article, shall be handled for the declaration and announcement within 2 days from the date of occurrence in accordance with the nature and regulated format.</p> <p>III. Procedures for declaration of announcement</p> <p>(I) The Company shall announce and declare the relevant information on the website designated by the Financial Supervisory Commission.</p> <p>(II) The Company shall, on the monthly basis, enter the transaction status engaged in derivatives of the Company and its non-domestic subsidiaries by the end of last month into the information declaration website designated by the Commission before tenth of each month in the regulated format.</p> <p>(III) The Company shall re-announce and re-declare all</p>	

Before amendment	After amendment	Amendment reason
<p>items required to be announced in accordance with regulations within two days from the date it becomes aware of any errors or omissions that should be corrected at the time of announcement.</p> <p>(IV) The Company shall keep the relevant contracts, minute, memorandum book, appraisal report, and opinions of certified public accounts, lawyers, or securities underwriters in the Company for at least five years, unless otherwise provided by other laws.</p> <p>(omitted below)</p>	<p>items required to be announced in accordance with regulations within two days from the date it becomes aware of any errors or omissions that should be corrected at the time of announcement.</p> <p>(IV) The Company shall keep the relevant contracts, minute, memorandum book, appraisal report, and opinions of certified public accounts, lawyers, or securities underwriters in the Company for at least five years, unless otherwise provided by other laws.</p> <p>(omitted below)</p>	
<p>Article 13 Subsidiaries of the Company shall comply with the following regulations:</p> <p>I. When acquiring or disposing of assets, the subsidiaries shall also follow the Procedures to perform the management .</p> <p>II. When the subsidiary's acquiring and disposing of assets reach the <u>formulated</u> criteria for announcement and declaration in Article 30 of Guidelines for the Public Company Acquiring or Disposing of Assets, which does not belong to the public company, the parent company shall also conduct announcement and declaration affairs on behalf of the subsidiary.</p> <p>III. The term "10% of total assets" in the Procedures shall be calculated with the amount of total assets in the most recent individual or individual financial report as</p>	<p>Article 13 Subsidiaries of the Company shall comply with the following regulations:</p> <p>I. When acquiring or disposing of assets, the subsidiaries shall also follow the Procedures to perform the management .</p> <p>II. When the subsidiary's acquiring and disposing of assets reach the <u>determined</u> criteria for announcement and declaration in Article 30 of Guidelines for the Public Company Acquiring or Disposing of Assets, which does not belong to the public company, the parent company shall also conduct announcement and declaration affairs on behalf of the subsidiary.</p> <p>III. The term "10% of total assets" in the Procedures shall be calculated with the amount of total assets in the most recent individual or individual financial report as</p>	<p>Amend in line with decrees and regulations</p>

Before amendment	After amendment	Amendment reason
<p>regulated in the Company's Standards for the Preparation of Financial Reports.</p> <p>IV. In the criteria for announcement and declaration of subsidiaries, <u>the term "reach 20% of paid-in capital or 10% of total assets of the Company"</u> shall be based on the paid-in capital or total assets of the parent (principal) company.</p>	<p>regulated in the Company's Standards for the Preparation of Financial Reports. <u>When there is no par value for company shares or par value per share is not 10 NT dollars, the relevant transaction amount of 20% of the paid-in capital specified in the Procedures shall be calculated with 10% of the equity belonging to the owner of the parent company; the relevant transaction amount specified in the Procedures for paid-in capital amounting to 10 billion NT dollars shall be calculated with the equity of 20 billion NT dollars belonging to the owner of the parent company.</u></p> <p>IV. The term "paid-in capital or total assets" in the criteria for announcement and declaration of subsidiaries shall be based on the paid-in capital or total assets of the parent (principal) company.</p>	
<p>Article 16 The Procedures was established on May 20, 1996 (omitted below) The seventh amendment was made on June 13, 2017</p>	<p>Article 16 The Procedures was established on May 20, 1996 (omitted below) The seventh amendment was made on June 13, 2017 <u>The eighth amendment will be made on June 10, 2019</u></p>	<p>Add Amendment Date</p>

Attachment IV

**Comparison Table of Amendments to the Operating Procedures
for Endorsement and Guarantee of Highwealth Construction
Corporation**

Before amendment	After amendment	Amendment reason
<p>Article 9 Publication of Information</p> <p>I. The Company shall enter the endorsement and guarantee balance of the Company and subsidiaries in last month into the "Open Information Observatory" before 10th of each month.</p> <p>II. The Company's endorsement and guarantee amount, if reaching one of the following standards, shall be entered into "Open Information Observatory" within two days from the date of occurrence. The term "date of occurrence" means the <u>transaction</u> signing date, date of payment, date of resolution of the Board of Directors, or any other date sufficient to determine the <u>transaction</u> object and <u>transaction</u> amount.</p> <p>(I) The Company and its subsidiaries' endorsement and guarantee balance reaches 50% of the net value of the most recent financial statements of the Company.</p> <p>(II) The Company and its subsidiaries' endorsement and guarantee balance to single enterprise reaches 20% of the net value of the Company's most recent financial statements.</p> <p>(III) The Company and its subsidiaries' endorsement and guarantee balance to single enterprise reaches 10 million</p>	<p>Article 9 Publication of Information</p> <p>I. The Company shall enter the endorsement and guarantee balance of the Company and subsidiaries in last month into the "Open Information Observatory" before 10th of each month.</p> <p>II. The Company's endorsement and guarantee amount, if reaching one of the following standards, shall be entered into "Open Information Observatory" within two days from the date of occurrence. The term "date of occurrence" means the signing date, date of payment, date of resolution of the Board of Directors, or any other date sufficient to determine the <u>endorsement and guarantee</u> object and amount.</p> <p>(I) The Company and its subsidiaries' endorsement and guarantee balance reaches 50% of the net value of the most recent financial statements of the Company.</p> <p>(II) The Company and its subsidiaries' endorsement and guarantee balance to single enterprise reaches 20% of the net value of the Company's most recent financial statements.</p> <p>(III) The Company and its subsidiaries' endorsement and guarantee balance to single enterprise reaches 10 million</p>	<p>Amend in line with decrees and regulations to make the verbal content clearer.</p>

Before amendment	After amendment	Amendment reason
<p>NT dollars or above, and the total number of endorsement and guarantee <u>amount, long-term</u> investments and balance of loans reaches 30% of the net value of the most recent financial statements of this Company.</p> <p>(V) The Company and its subsidiaries' new endorsement and guarantee amount reaches 30 million NT dollars or above and reaches 5% of the net value of the Company's most recent financial statements.</p> <p>III. If the subsidiary of the Company is not a domestic public company, the Company shall conduct the matters required to be entered into the “Open Information Observatory” by the subsidiary under Sub-paragraph IV of the preceding Paragraph.</p> <p>IV. The Company shall assess or recognize the contingent loss of endorsement and guarantee and disclose the endorsement and guarantee information in the financial report appropriately, and provide relevant data to the certified public accountants for carrying out the necessary audit procedures.</p>	<p>NT dollars or above, and the total number of <u>carrying amount</u> of endorsement and guarantee and investments <u>adopting equity method</u> and balance of loans reaches 30% of the net value of the most recent financial statements of this Company.</p> <p>(V) The Company and its subsidiaries' new endorsement and guarantee amount reaches 30 million NT dollars or above and reaches 5% of the net value of the Company's most recent financial statements.</p> <p>III. If the subsidiary of the Company is not a domestic public company, the Company shall conduct the matters required to be entered into the “Open Information Observatory” by the subsidiary under Sub-paragraph IV of the preceding Paragraph.</p> <p>IV. The Company shall assess or recognize the contingent loss of endorsement and guarantee and disclose the endorsement and guarantee information in the financial report appropriately, and provide relevant data to the certified public accountants for carrying out the necessary audit procedures.</p>	
<p>Article 11 The Operating Procedures shall be approved by the Audit Committee and submitted to the Board of Directors for resolution and submitted to the shareholders' meeting for approval before implementation, and the same shall apply to amendments. If any director objects and has a record or written statement of objection, the</p>	<p>Article 11 The Operating Procedures shall be approved by <u>more than one-half of all members</u> of the Audit Committee and submitted to the Board of Directors for resolution and submitted to the shareholders' meeting for approval before implementation, and the same shall apply to amendments. If any director objects and has a record or</p>	<p>Amend in line with decrees and regulations to make the verbal content clearer.</p>

Before amendment	After amendment	Amendment reason
<p>objection information shall be submitted the objection information to the Audit Committee. During the discussion of the Board of Directors, each independent director's opinions shall be fully considered. Any objection or reservation shall be recorded in the minutes of the Board of Directors.</p>	<p>written statement of objection, the objection information shall be submitted the objection information to the Audit Committee. During the discussion of the Board of Directors, each independent director's opinions shall be fully considered. Any objection or reservation shall be recorded in the minutes of the Board of Directors. <u>If it is not approved by more than one-half of all members of the audit committee, it shall be approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of shareholders' meeting.</u> <u>The term "all members of the Audit Committee and all directors" shall be calculated on the basis of the actual incumbents.</u></p>	
<p>Article 12 The Procedures were formulated on May 20, 1996 (omitted below) The tenth amendment was made on June 13, 2017</p>	<p>Article 12 The Procedures were formulated on May 20, 1996 (omitted below) The tenth amendment was made on June 13, 2017 <u>The eleventh amendment will be made on June 10, 2019</u></p>	<p>Add Amendment Date.</p>

Attachment V

Comparison Table of Amendments to Operating Procedures for Loan of Funds to Others of Highwealth Construction Corporation

Before amendment	After amendment	Amendment reason
<p>Article 5 The limit for the total amount of loan of funds and individual object</p> <p>I. The Company's total amount of loans shall not exceed 20% of the net of the Company. However, the total amount of loan of funds to others for the necessity of short-term accommodation of funds between companies or banks shall not exceed 40% of the net of the Company. The total amount of financing in the preceding paragraph means the accumulated balance of the Company's short-term accommodation of funds .</p> <p>II. For companies or banks having business connections with the Company, the amount of individual loan of funds shall not exceed the amount of business transaction between the two parties. The term of business transaction amount means the higher of the purchase or sale amount between two parties.</p> <p>III. For companies or banks having the necessity for short-term accommodation of funds, the individual loan of funds amount shall not exceed 10% of the net value of the Company.</p> <p><u>When</u> foreign companies, in which the Company directly or indirectly holds 100% of the voting shares, work on capital loan between each other <u>for necessity of accommodation of funds</u>, the individual loan amount shall not exceed 10% of the net value of the most</p>	<p>Article 5 The limit for the total amount of loan of funds and individual object</p> <p>I. The Company's total amount of loans shall not exceed 20% of the net of the Company. However, the total amount of loan of funds to others for the necessity of short-term accommodation of funds between companies or banks shall not exceed 40% of the net of the Company. The total amount of financing in the preceding paragraph means the accumulated balance of the Company's short-term accommodation of funds .</p> <p>II. For companies or banks having business connections with the Company, the amount of individual loan of funds shall not exceed the amount of business transaction between the two parties. The term of business transaction amount means the higher of the purchase or sale amount between two parties.</p> <p>III. For companies or banks having the necessity for short-term accommodation of funds, the individual loan of funds amount shall not exceed 10% of the net value of the Company.</p> <p><u>When</u> foreign companies, in which the Company directly or indirectly holds 100% of the voting shares, work on capital loan between each other, <u>or</u> <u>foreign companies, in which the Company directly or indirectly holds 100% of the voting shares, work on</u></p>	<p>Amend in line with decrees and regulations to make the verbal content clearer.</p>

Before amendment	After amendment	Amendment reason
<p>recent financial statements of the Company, and the financing period shall be limited to one year or one operating cycle (the longer shall prevail).</p>	<p><u>capital loan to the Company</u>, the individual loan amount shall not exceed 10% of the net value of the most recent financial statements of the Company, and the financing period shall be limited to one year or one operating cycle (the longer shall prevail).</p> <p><u>If the person in charge of the company violates Paragraph 1, he shall take the responsibility of restitution jointly with the borrower; if the company suffers any damage, he shall also be liable for damages.</u></p>	
<p>Article 9 Publication of Information</p> <p>I. The Company shall enter the loan of funds balance of the Company and subsidiaries in last month into the "Open Information Observatory" before 10th of each month.</p> <p>II. The Company's loan of funds amount, if reaching one of the following standards, shall be entered into "Open Information Observatory" within two days from the date of occurrence. The term "date of occurrence" means the <u>transaction</u> signing date, date of payment, date of resolution of the Board of Directors, or any other date sufficient to determine the <u>transaction</u> object and <u>transaction</u> amount.</p> <p>(I) The Company and its subsidiaries' loan of funds to others balance reaches 20% of the net value of the most recent financial statements of the Company.</p> <p>(II) The Company and its subsidiaries' loan of funds to others balance to single enterprise reaches 10% of the</p>	<p>Article 9 Publication of Information</p> <p>I. The Company shall enter the loan of funds balance of the Company and subsidiaries in last month into the "Open Information Observatory" before 10th of each month.</p> <p>II. The Company's loan of funds balance, if reaching one of the following standards, shall be entered into "Open Information Observatory" within two days from the date of occurrence. The term "date of occurrence" means the signing date, date of payment, date of resolution of the Board of Directors, or any other date sufficient to determine the <u>loan of funds</u> object and amount.</p> <p>(I) The Company and its subsidiaries' loan of funds to others balance reaches 20% of the net value of the most recent financial statements of the Company.</p> <p>(II) The Company and its subsidiaries' loan of funds to others balance to single enterprise reaches 10% of the</p>	<p>Amend in line with decrees and regulations to make the verbal content clearer.</p>

Before amendment	After amendment	Amendment reason
<p>net value of the Company's most recent financial statements.</p> <p>(III) The Company and its subsidiaries' new loan of funds amount reaches 10 million NT dollars or above and reaches 2% of the net value of the Company's most recent financial statements.</p> <p>III. If the subsidiary of the Company is not a domestic public company, the Company shall conduct the matters required to be entered into the "Open Information Observatory" by the subsidiary under Sub-paragraph III of the preceding Paragraph.</p> <p>IV. The Company shall assess the loan of funds status and recognize adequate allowance for bad debts, disclose the endorsement and guarantee information in the financial report appropriately, and provide relevant data to the certified public accountants for carrying out the necessary audit procedures.</p>	<p>net value of the Company's most recent financial statements.</p> <p>(III) The Company and its subsidiaries' new loan of funds amount reaches 10 million NT dollars or above and reaches 2% of the net value of the Company's most recent financial statements.</p> <p>III. If the subsidiary of the Company is not a domestic public company, the Company shall conduct the matters required to be entered into the "Open Information Observatory" by the subsidiary under Sub-paragraph III of the preceding Paragraph.</p> <p>IV. The Company shall assess the loan of funds status and recognize adequate allowance for bad debts, disclose the endorsement and guarantee information in the financial report appropriately, and provide relevant data to the certified public accountants for carrying out the necessary audit procedures.</p>	
<p>Article 11</p> <p>The Operating Procedures shall be approved by the Audit Committee and submitted to the Board of Directors for resolution and submitted to the shareholders' meeting for approval before implementation, and the same shall apply to amendments. If any director objects and has a record or written statement of objection, the objection information shall be submitted the objection information to the Audit Committee. During the discussion of the Board of Directors, each independent director's opinions shall be fully considered. Any objection</p>	<p>Article 11</p> <p>The Operating Procedures shall be approved by more than <u>one-half of all members</u> of the Audit Committee and submitted to the Board of Directors for resolution and submitted to the shareholders' meeting for approval before implementation, and the same shall apply to amendments. If any director objects and has a record or written statement of objection, the objection information shall be submitted the objection information to the Audit Committee. During the discussion of the Board of Directors, each independent director's opinions shall be fully</p>	<p>Amend in line with decrees and regulations to make the verbal content clearer.</p>

Before amendment	After amendment	Amendment reason
<p>or reservation shall be recorded in the minutes of the Board of Directors.</p>	<p>considered. Any objection or reservation of independent director shall be recorded in the minutes of the Board of Directors.</p> <p><u>If it is not approved by more than one-half of all members of the audit committee, it shall be approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of shareholders' meeting.</u></p> <p><u>The term "all members of the Audit Committee and all directors" shall be calculated on the basis of the actual incumbents.</u></p>	
<p>Article 12 The Procedures were formulated on May 20, 1996 (omitted below) The seventh amendment was made on June 13, 2017</p>	<p>Article 12 The Procedures were formulated on May 20, 1996 (omitted below) The seventh amendment was made on June 13, 2017 <u>The eighth amendment will be made on June 10, 2019</u></p>	<p>Add Amendment Date</p>

Appendix I

Highwealth Construction Corporation.

Article of Incorporation

Chapter I General Rules

- Article 1: The Company shall be organized in accordance with the provisions of the Company Act as Highwealth Construction Corporation.
- Article 2: The Company engages in the left businesses:
- I. Leasing and sale of commercial buildings and national residential buildings commissioned by construction companies.
 - II. Design and construction of interior decoration.
 - III. Trading, import and export of building materials, decoration materials and construction machinery.
 - IV. Introduction to the rental and sale of houses and cadastral surveying business.
 - V. Real estate business information consultant and credit data collection, analysis and printing business.
 - VI. Development, lease, sale and management of the industrial zone commissioned by the competent government's industrial authority (except building industry).
 - VII. Design of swimming pools, runways, bridges, airports, harbors and MRT systems (except architect industry).
 - VIII. Civil engineering design and planning consultancy.
 - IX. Operation of general merchandise sales, hotels, supermarkets, three-dimensional parking lots and natural scenic spots.
 - X. Operation of restaurants.
 - XI. Consultants for analysis and diagnosis of enterprise management and financial management (excluding CPA services) (excluding securities investment consulting services).
 - XII. Computer information consultant.
 - XIII. Development, rental and sale of H701020 industrial factory building.
 - XIV. H701040 Development industry of specific professional zone.
 - XV. H701050 Public construction industry of investment.
 - XVI. H701060 Development industry of new town and new community.
 - XVII. H703010 Rental industry of plant.
 - XVIII. H703020 Rental industry of warehouse.
 - XIX. H703030 Rental industry of office building.
 - XX. ZZ99999 Except for permitted businesses, businesses not prohibited or restricted by laws and regulations can be operated.
- Article 3: The Company is headquartered in Taipei City, and shall, if necessary, establish branches at home and abroad by resolution of the Board of Directors in accordance with law.
- Article 4: The announcement methods of the Company shall be handled in accordance with the Company Act and other relevant provisions.

Chapter II Shares

- Article 5: The capital of the Company is NTD 20 billion, divided into two hundred million shares at NTD 10 per share, and the Board of Directors shall be authorized to issue the shares in installments. 20 million shares, warrant bonds and exercise of preferred shares with warrants shall be reserved from the above capital sum. The Board of Directors shall be authorized for issuing in batch. The Company may, with the consent of the shareholders' meeting attended by a majority of the total number of issued shares and at least two-thirds of the voting rights of the shareholders present, transfer the shares to employees at a price lower than the average price of the actual repurchased shares, or issue employee warrants at a price lower than the market price.
- Article 6: Shares of the Company shall be registered, signed or sealed by three or more directors, and shall be issued after certification in accordance with the law. Shares shall be printed in combination with the total number of new shares issued, or exempted from printing. However, a centralized securities depository enterprise shall be contacted for registration or custody.
- Article 7: Unless otherwise provided for in laws, regulations and securities regulations, the Company's handling of stock affairs shall be governed by the "Regulations on Handling of Stock Affairs by Companies with Public Issue of Shares" promulgated by the Competent Authority.
- Article 8: Where necessary, the Company shall, by resolution of the Board of Directors, entrust stock affairs to a stock affairs agency approved by the Competent Authority. If a company entrusts a stock affairs agency to handle the stock affairs, the shareholders shall negotiate with the entrusted stock affairs agency to handle the stock affairs. Taiwan Securities Central Depository Co., Ltd. may request the Company to merge and issue large denomination securities if the shares issued by the Company are entrusted to Taiwan Securities Central Depository Co., Ltd. for custody.
- Article 9: The transfer of shares shall be suspended within 60 days prior to the meeting of each ordinary shareholders' meeting, within 30 days prior to the extraordinary meeting, or within 5 days prior to the date on which the Company decides to distribute dividends, bonuses or other benefits.

Chapter III Shareholders' Meeting

- Article 10: Shareholders' meetings are divided into regular meeting and temporary meeting, which shall be convened by the Board of Directors within six months after the end of each fiscal year. The temporary meetings shall be convened in accordance with the law when necessary.
- Article 11: If a shareholder is unable to attend the shareholders' meeting for any reason, a power of attorney issued by the Company specifying the scope of authorization and signature or seal shall be issued, and an agent shall be entrusted to attend. The use of the power of attorney shall be handled in accordance with Article 177 of the Company Act and Articles 25-1 of the Securities Exchange Act-"Openly Issuing the Rules on the Use of Power of Attorney by Shareholders Attending the Company's Shareholder Meeting" promulgated by the Competent Authority.

Article 11-1: The convening of ordinary and extraordinary shareholders' meetings shall be notified to each shareholder of the date, place, and reasons for convening the meeting prior to the time limit prescribed by the Company Act and relevant laws and regulations. The shareholders holding less than 1,000 shares shall be noticed through an announcement. When the Company convenes a general meeting, the authorized shareholders may propose resolutions to the Company in writing, and the relevant operations shall be handled in accordance with the Company Act and relevant provisions.

Article 12: When a shareholders' meeting is held, the chairman of the Board of Directors shall be the chairman. If the chairman of the Board of Directors asks for leave of absence or is unable to exercise his/her functions and powers for any reason, his/her agency shall be handled in accordance with Article 208 of the Company Act.

Article 13: Shareholders of the Company shall have one vote per share, but shall not have the right to vote if it is restricted or under the circumstances specified in Paragraph 2 of Article 179 of the Company Act.

Article 14: Unless otherwise provided by relevant laws and regulations, a resolution of a shareholders' meeting shall be attended by the shareholders, who are present on behalf of a majority of the shareholders of the total number of issued shares. Shareholders of the Company may also exercise their voting rights electronically. Shareholders exercising their voting rights electronically shall be deemed to be present in person and relevant matters shall be handled in accordance with the relevant laws and regulations.

Article 15: The resolutions of the shareholders' meeting shall be signed or sealed by the chairman, and the minutes shall be distributed to all shareholders within 20 days after the meeting.

The minutes referred to in the preceding paragraph shall be distributed by way of public announcement. The minutes of the meeting shall record the year, month and day of the meeting, the place where the meeting was held, the name of the chairman, and the method of resolution. The minutes shall also record the gist of the proceedings and the results thereof. The minutes shall be kept permanently during the existence of the Company. The register of shareholders present and the proxy letter for attending the meeting shall be kept for one year.

Chapter IV Directors and Audit Committee

Article 16: The Company shall have seven to nine directors, of whom the number of independent directors shall not be less than three and shall not be less than one-fifth of the number of directors. The election of all directors shall be conducted through a candidate nomination system in accordance with Article 192-1 of the Company Act. The term of office of each director shall be three years, and he/she may be re-elected. The aggregate shareholding ratio of all directors shall be handled in accordance with the regulations of the securities regulatory authority. The Company shall establish an audit committee, composed of all independent directors, in accordance with Article 14-4 of the Securities Exchange Act, to carry

out the functions and powers required to be exercised by supervisors under the Company Act, the Securities Exchange Act and other laws and regulations.

- Article 17: In the event that one-third of the directors are absent or the independent directors are dismissed, the Board of Directors shall convene an extraordinary directors' meeting within 60 days to elect a replacement director for a term limited to the term of office for which the replacement director was previously appointed.
- Article 18: If the term of office of a director expires but the director is not re-elected, the director shall be extended to perform his/her duties until the re-elected director assumes office. However, the Competent Authority shall order the Company to re-elect within a time limit in accordance with its authority, and if the Company still fails to re-elect within the time limit, the Competent Authority shall of course dismiss the Company upon expiration of the time limit.
- Article 19: The directors shall organize the Board of Directors to elect a chairman from the directors with the consent of more than two-thirds of the directors present and more than half of the directors present, and may elect a vice-chairman from the directors in the same manner to carry out all affairs of the Company in accordance with laws, regulations, articles of association, resolutions of the shareholders' meeting and the Board of Directors.
- Article 20: The management policy and other important matters of the Company shall be decided by the Board of Directors. Except for the first shareholders' meeting convened in accordance with Article 203 of the Company Act, the chairman of the Board of Directors shall convene and serve as the chairman. The chairman shall represent the Company. If the chairman of the Board of Directors requests leave of absence or is unable to exercise his/her functions and powers for any reason, the vice chairman of the Board of Directors shall act as the chairman of the Board of Directors. If the vice chairman is absent or is unable to exercise his/her functions and powers for any reason, the chairman shall appoint one person to act as his/her deputy; if no agent is appointed, the directors shall elect one person to act as their deputy.
- The convening of the directors' meeting referred to in the preceding paragraph shall state the reasons and notify all directors seven days in advance. However, in case of emergency, it may be convened at any time. Notice of convening shall be given in writing, by e-mail or by fax.
- Article 21: Except as otherwise provided for in the Company Act, a majority of the directors shall be present at the meeting, which shall be held with the consent of a majority of the directors present. If a director is unable to attend the meeting for any reason, he/she shall issue a power of attorney stating the scope of authorization for convening the meeting and authorizing other directors to attend the meeting on his/her behalf, but one director shall not be entrusted by multiple directors to attend the meeting. If the Board of Directors holds a directors' meeting through videoconference, the directors shall be deemed to be personally present if they participate in the meeting by videoconference.

Article 22: Minutes of the Board of Directors shall be prepared and signed or sealed by the chairman, and circulated to all directors within 20 days after the meeting. The minutes shall record the proceedings and the results thereof. The minutes shall be kept in the Company together with the register of directors present and the power of attorney for attending the meeting.

Article 23: Delete.

Article 24: The Board of Directors shall be authorized to determine the remuneration of the chairman and directors in accordance with the extent of their participation in and the value of their contributions to the operations of the Company and in the light of the normal level of the industry. The Company shall purchase liability insurance for the directors.

Chapter V Managers and Staff

Article 25: The Company shall appoint several managers, whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

Article 26: The Company shall, by resolution of the Board of Directors in accordance with Article 21 of the Articles of Association, engage consultants and important staff.

Article 27: The general manager of the Company shall apply to the Board of Directors for the appointment of the first-level directors, and the general manager shall appoint the other employees in accordance with the personnel management regulations.

Chapter VI Accounting

Article 28: At the end of each fiscal year, the Board of Directors shall prepare the following statements, which shall be submitted to the ordinary meeting of shareholders for recognition according to law:

(1) Business report. (2) Financial statements. (3) Proposals for profit or loss appropriation.

Article 29: If the Company makes profits for the year, of which the employee remuneration shall not be less than 0.1% of the pre-tax benefits and the director remuneration shall not be more than 1% of the pre-tax benefits, the remuneration shall be distributed after the resolution of the Board of Directors and reported to the Board of Directors. However, if the Company still has accumulated losses, the compensation amount shall be reserved in advance. When the employee remuneration belongs to stock allotment, the allotment shall include employees of the Company's subsidiaries who meet certain conditions.

The Company shall grasp the changing characteristics of the operating economic environment, in order to achieve sustainable operation and long-term development. The Board of Directors shall pay attention to the stability and growth of dividends when formulating the appropriation of earnings, and shall decide on the most appropriate method for dividend policy payment depending on the operating conditions of the current year and considering the capital budget planning for the following year.

Article 29-1: For the net profit obtained by the Company after the final accounts of each year, in addition to all payments of taxes in accordance with the law, the Company shall

first cover the deficit of previous years, and then allocate 10% of the balance as statutory surplus reserve fund and allocate or reverse special reserve in accordance with laws and regulations, unless the statutory surplus reserve has reached the paid-in capital amount of the Company. And then add the beginning undistributed surplus with the balance to get the accumulated distributable surplus. The above accumulated distributable surplus shall be allocated not less than 20% for the shareholders' dividend. The Board of Directors shall prepare the proposal for distribution and submit it to the shareholders' meeting for resolution. When distributing earnings, the cash part of shareholders' dividends shall not be less than 10% of the amount distributed to shareholders.

Chapter VII Supplementary Provisions

- Article 30: The Company shall authorize the Board of Directors to execute its reinvestment in excess of 40% of the paid-in capital.
- Article 31: External guarantees shall be required by the Company for its business.
- Article 32: The organization rules and handling details of the Company shall be separately prescribed by the Board of Directors.
- Article 33: All matters not provided for in the Articles shall be handled in accordance with the Company Act and other relevant laws and regulations.
- Article 34: The Articles of Association were made on January 12, 1980.
The first amendment was made on November 17, 1980.
(Omitted below)

The thirtieth amendment was made on June 10, 2009.

The thirty-first amendment was made on June 12, 2012.

The thirty-second amendment was made on June 11, 2014.

The thirty-third amendment was made on June 11, 2015.

The thirty-fourth amendment was made on June 13, 2016.

The thirty-fifth amendment was made on June 13, 2017.

Appendix II

Highwealth Construction Corporation. Rules of Order for Shareholders' Meetings

- Article 1: The Rules are formulated in accordance with Article 5 of the Code of Practice on Governance of Listed and OTC Companies for the purpose of establishing a good governance system for shareholders' meetings of the Company, improving its supervisory functions and strengthening its management functions.
- Article 2: Unless otherwise provided in laws, regulations or articles of association, the rules of procedure for shareholders' meetings of the Company shall be governed by the Rules.
- Article 3: The shareholders' meeting of the Company shall be convened by the Board of Directors unless otherwise provided by laws and regulations.

Thirty days prior to the ordinary meeting of shareholders or fifteen days prior to the extraordinary meeting of shareholders, the Company shall prepare an electronic file for transmission to the Public Information Observatory containing the notice of the meeting of shareholders, the power of attorney, the reasons for the various resolutions related to the recognition, discussion, appointment or dismissal of directors and the explanatory data. The handbook and supplementary meeting data of the shareholders' meeting shall be compiled and transmitted to the Open Information Observatory by electronic archives twenty-one days prior to the ordinary meeting or fifteen days prior to extraordinary meeting of shareholders. Fifteen days prior to the meeting, the handbook of shareholders' meetings and supplementary information for the meeting shall be prepared and made available to the shareholders at any time and shall be displayed to the Company and the professional stock agents appointed by the Company and shall be distributed at the scene of the shareholders' meeting. The notice and announcement shall state the reasons for convening the meeting; If the notice is approved by the other party, the notice shall be made electronically.

Appointment or dismissal of directors, change of articles, dissolution, merger or division of corporation, paragraphs Item 1 of Article 185 of Company Act, Article 26-1 and Article 43-6 of Securities Exchange Act, matters of Article 56-1 and Article 60-2 of Criteria Governing the Offering and Issuance of Securities by Issuers shall be listed in the reasons for convening a meeting and shall not be proposed for incidental motion.

Shareholders holding more than 1% of the total number of issued shares shall propose resolutions to the Company in writing at ordinary meetings of shareholders. If the number of proposals is more than one, the proposals shall not be included in the resolution. Where a shareholder proposes a resolution under any of the circumstances specified in Paragraph 4 of Article 172-1 of the Company Act, the Board of Directors shall not include it as a resolution.

The Company shall announce the shareholders' proposals, acceptance domicile and acceptance period prior to the date of suspension of share transfer prior to the convening of the ordinary shareholders' meeting. The acceptance period shall not be less than 10 days.

A resolution proposed by a shareholder shall be limited to 300 words, and shall not be included in the resolution if it exceeds 300 words; The proposing shareholder shall attend the ordinary meeting of shareholders in person or by proxy and participate in the discussion of the proposal.

The Company shall notify the proposing shareholders of the outcome of the shareholders' meeting prior to the date of the notice of convening the shareholders' meeting, and shall list the resolutions in accordance with the provisions of the Article in the notice of the meeting. For shareholders' proposals that are not included in the resolution, the Board of Directors shall state the reasons for the exclusion at the shareholders' meeting.

Article 4: A shareholder may, at each shareholders' meeting, issue a power of attorney issued by the Company specifying the scope of authorization and authorizing a proxy to attend the shareholders' meeting.

A shareholder shall issue a power of attorney limited to one person and shall deliver it five days prior to the meeting of shareholders. In the event of duplication of the power of attorney, the first one to be served shall prevail. However, the entrustment before the revocation of the declaration shall not be limited.

If a shareholder wishes to attend a shareholders' meeting in person or to exercise his/her voting rights in writing or electronic form after the proxy has been sent to the Company, he/she shall notify the Company in writing of the revocation of the proxy two days prior to the shareholders' meeting; The voting right exercised by the proxy shall prevail in the event of revocation after the expiration of the prescribed time limit.

Article 5: A shareholders' meeting shall be held at the place where the Company is located or where shareholders are conveniently present and it is appropriate to convene a shareholders' meeting. The starting time of the meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m. The meeting shall be held at a place and time where the views of the independent directors shall be fully considered.

Article 6: The Company shall specify in the notice of meeting the time for accepting the shareholders' register, the place of registration and other matters needing attention.

The aforesaid time for accepting shareholders' register shall be at least 30 minutes prior to the commencement of the meeting. The registration desk shall be clearly marked and shall be handled by adequate and competent personnel. Shareholders themselves or their proxies (hereinafter referred to as shareholders) shall attend the shareholders' meeting by presenting their attendance cards or other certificates of attendance. The Company shall request shareholders to provide any other supporting documents for shareholders' attendance at the meeting. A requester with a power of attorney shall bring along identity documents for verification.

The Company shall set up an autograph book for the attending shareholders to sign in, or the attending shareholders shall submit a sign-in card to sign in.

The Company shall deliver the Meeting Handbook, Annual Report, Certificate of Attendance, Speech Notes, Voting Votes and other meeting data to the shareholders attending the shareholders' meeting; Where there is an election of directors, a separate election vote shall be submitted.

When the government or legal person is a shareholder, the representatives attending the shareholders' meeting shall not be limited to one person. When a legal person is entrusted to attend a shareholders' meeting, only one representative shall be appointed to attend.

Article 7: If the shareholders' meeting is convened by the Board of Directors, the chairman shall act as the chairman. If the chairman of the Board of Directors asks for leave of absence or is unable to exercise his/her functions and powers for any reason, the chairman shall appoint a director to act as his/her deputy. Where the chairman of the Board of Directors does not appoint an agent, the directors shall elect one person from the directors to act as the agent.

For shareholders' meetings convened by the Board of Directors, the chairman should preside in person, and a majority of the directors of the Board of Directors should attend in person, and at least one representative of each functional committee members shall attend, and the attendance shall be recorded in the minutes of the shareholders' meeting.

If a shareholders' meeting is convened by a convener other than the Board of Directors, the convener shall act as the chairman of the shareholders' meeting. If there are more than two conveners, they shall elect one convener to act the chairman. The Company shall appoint attorneys, accountants or related persons to attend shareholders' meetings to answer relevant questions while the agenda is in progress.

Article 8: The Company shall record or videotape the whole process of the shareholders' meeting and keep it for at least one year. However, any action instituted by a shareholder pursuant to Article 189 of the Company Act shall be preserved until the conclusion of the action.

Article 9: Attendance at a shareholders' meeting shall be calculated on the basis of shares. The number of shares present shall be calculated on the basis of the signature book or the signed-in card submitted, plus the number of shares in which voting rights are exercised in writing or electronically.

At the expiration of the meeting time, the chairman shall immediately announce the opening of the meeting. If the shareholders representing half of issued shares are not present, the chairman shall announce an adjournment of the meeting for a maximum of two times, which shall not exceed a total of one hour. The chairman shall announce the adjournment of the meeting if the shareholders representing one-third or more of the total number of issued shares are not present twice after the adjournment.

If the number of shareholders is still not sufficient after the above adjournment for twice and shareholders representing more than one-third of the total number of issued shares are present, a false resolution shall be made in accordance with Paragraph 1 of Article 175 of the Company Act, and each shareholder shall be notified of the false resolution to convene a shareholders' meeting within one month.

Before the conclusion of the meeting, the number of shares represented by the shareholders present at the meeting reaches a majority of the total number of issued shares, the chairman shall, in accordance with Article 174 of the Company Act, make a false resolution and submit it to the shareholders' meeting for voting.

Article 10: If a shareholders' meeting is convened by the Board of Directors, its agenda shall be prescribed by the Board of Directors, and the meeting shall be held in accordance with the scheduled agenda and shall not be changed without a resolution of the shareholders' meeting.

If a shareholders' meeting is held by conveners rights to convene the meeting other than those of the Board of Directors, the aforesaid provisions can be used.

The chairman shall not adjourn the meeting until the adjournment of the proceedings (including provisional motions) referred to in the preceding two paragraphs has been decided. If the chairman announces the adjournment of the meeting in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the shareholders present at the meeting in the procedure prescribed by law and elect a chairman by a majority vote of the shareholders present at the meeting to continue the meeting.

The chairman shall give full explanation and opportunity to discuss the motion and the amendment or provisional motion proposed by the shareholders, and shall declare the discussion to be closed and put to the vote when he/she considers that the motion has reached the level of voting.

Article 11: Before the attending shareholders' speeches, a speech note shall be filled in, stating the tenor of the speeches, the shareholders' account number (or attendance certificate number) and the name of the account, and the chairman shall determine the order of their speeches.

If a shareholder attending the meeting only raises a speech note but does not speak, he/she shall be deemed not to have spoken. In case of any discrepancy between the content of the speech and the speech note, the content of the speech shall prevail. When an attending shareholder gives a speech, other shareholders shall not interfere with their speeches except with the consent of the chairman and the speakers. Violators shall be stopped by the chairman.

Article 12: Each shareholder speaking on the same resolution shall not speak for more than two times and the speech shall not exceed five minutes without the consent of the chairman. The chairman shall prohibit the shareholder from speaking in violation of the provisions of the preceding paragraph or beyond the scope of the discussion.

When a legal person shareholder appoints two or more representatives to attend a shareholders' meeting, only one person is allowed to be elected to speak on the same resolution.

After an attending shareholders gives a speech, the chairman shall reply in person or by designating relevant persons.

Article 13: Resolution at a shareholders' meeting shall be calculated on the basis of shares.

The number of shares of non-voting shareholders as resolved at a shareholders' meeting shall not be included in the total number of issued shares.

Shareholders shall not participate in voting or exercise their voting rights on behalf of other shareholders when their own interests may cause harm to the interests of the Company in relation to the matters at the meeting.

The number of shares not permitted to exercise their voting rights as referred to in the preceding paragraph shall not be included in the number of voting rights of shareholders present.

Except in the case of a trust enterprise or a stock agency approved by the Competent Authority for Securities Affairs, if one person is consigned by more than two shareholders at the same time, the proxy's voting rights shall not exceed 3% of the total voting rights of the issued shares. If the proxy's voting rights exceed the total voting rights of the issued shares, the exceeding part shall not be included.

Article 14: Shareholders shall have one vote per share; However, the restriction shall not apply to those who are restricted or have no voting rights as listed in Paragraph 2 of Article 179 of the Company Act.

The Company shall exercise its voting rights in writing or electronically when convening a shareholders' meeting (for companies that shall exercise electronic voting in accordance with the proviso to Paragraph 1 of Article 177-1 of the Company Act: When convening a shareholders' meeting, the Company shall exercise its voting rights electronically and in writing); When the voting right is exercised in writing or electronically, the method of exercising the voting right shall be specified in the notice of convening the shareholders' meeting. Shareholders exercising their voting rights in writing or electronically shall be deemed to have attended the shareholders' meeting in person. However, amendments to the interim motion and the original motion at such shareholders' meeting shall be deemed to have been abstained from voting. Therefore, it is advisable for the Company to refrain from proposing interim motions and amendments to the original motion.

Where the voting rights referred to in the preceding paragraph are exercised in writing or electronically, the declaration of intention shall be served on the Company two days before the meeting of shareholders. In case of duplication of intention, the first one shall prevail. However, the restriction shall not apply to declaration of intention made prior to the revocation of a declaration.

If a shareholder wishes to attend a shareholders' meeting in person after exercising his/her voting rights in writing or electronically, he/she shall revoke his/her declaration of intention to exercise the voting rights referred to in the preceding paragraph in the same manner two days before the meeting. The voting right exercised in writing or electronically shall prevail in the event of late revocation. If the voting right is exercised in writing or electronically and the proxy is entrusted to attend the shareholders' meeting, the voting right exercised by the proxy shall prevail.

Except as otherwise provided in the Company Act and the Articles of Association, the resolution shall be passed by a majority vote of the shareholders present at the meeting. At the time of voting, the chairman or his/her nominee shall announce the total number of voting rights of the shareholders present on a case-by-case basis, and the shareholders shall vote by poll on a case-by-case basis. On the day after the convening of the shareholders' meeting, the results of the shareholders' approval, opposition or abstention shall be entered into the Public Information Observatory.

If there are amendments or substitutions to the same motion, the chairman shall decide on the order of voting with the original motion. If one of the motions is passed, the other motions shall be deemed to be negated and no further vote shall be required.

The scrutineers and tellers of the votes cast on the motion shall be appointed by the chairman, but the scrutineers shall be shareholders.

The counting of votes for voting or electing resolutions at shareholders' meetings shall be conducted in a public place within the venue of the shareholders' meeting, and after the counting of votes is completed, the voting result shall be announced on the spot, including the weighting of statistics and recording.

Article 15: In the event of election of directors at a shareholders' meeting, the election shall be conducted in accordance with the relevant election regulations formulated by the Company, and the election results shall be announced at site, including the list of elected directors and the number of elected directors.

Electoral votes referred to in the preceding Paragraph shall be sealed and signed by the scrutinizer and kept in good custody for at least one year. However, any action instituted by a shareholder pursuant to Article 189 of the Company Act shall be preserved until the conclusion of the action.

Article 16: When directors are to be elected at a shareholders' meeting, the election shall be conducted in accordance with the relevant election regulations formulated by the Company, and the election results shall be announced at site, including the list of elected directors and the number of elected directors.

Electoral votes referred to in the preceding Paragraph shall be sealed and signed by the scrutinizer and kept in good custody for at least one year. However, any action instituted by a shareholder pursuant to Article 189 of the Company Act shall be preserved until the conclusion of the action.

Article 17: The resolutions of the shareholders' meeting shall be signed or sealed by the chairman, and the minutes shall be distributed to all shareholders within 20 days after the meeting. The minutes shall be produced and distributed electronically.

The minutes referred to in the preceding Paragraph shall be distributed by way of an announcement entered by the Company into the Public Information Observatory.

The minutes shall be kept permanently for the duration of the Company in accordance with the records of the meeting, including the date, month, and place of the meeting, the name of the chairman, the method of resolution, the gist of the proceedings, and the outcome thereof.

Article 18: The number of shares solicited by the solicitor and the number of shares represented by the trustee agent shall be clearly disclosed in the statistical tables compiled by the Company in the prescribed format on the day of the shareholders' meeting.

If any matters resolved at the shareholders' meeting are subject to the provisions of laws and regulations and material information as prescribed by the Taiwan Stock Exchange Corporation (Juridical Person-Gretai Securities Market of Republic of China), the Company shall transmit the contents to the Public Information Observatory within the prescribed time limit.

Article 19: The persons handling the affairs of the shareholders' meeting shall wear identification certificates or armbands.

The chairman shall direct the picketer (or security guard) to assist in maintaining order at the meeting. When a picketer (or security guard) is present to assist in maintaining order, he/she shall wear an armband bearing the word "picketer". If the meeting venue is equipped with amplification equipment, the chairman shall stop others from speaking with equipment of the Company than shareholders. If a

shareholder violates the rules of procedure by disobeying the chairman's correction and obstructs the proceedings of the meeting, and if the shareholder does not obey, the chairman shall direct the picketer (or security guard) to ask him/her to leave the meeting.

Article 20: The promulgation and amendment of the Rules shall come into force after being passed by the shareholders' meeting. Any matters not provided for herein shall be handled in accordance with the Company Act, the Articles of Association and other relevant laws and regulations.

Article 21: The Rules were promulgated on May 20, 1996.

The first amendment was made on May 8, 1998.

The second amendment was made on June 20, 2002.

The third amendment was made on June 13, 2008.

The fourth amendment was made on June 12, 2012.

The fifth amendment was made on June 11, 2015.

The sixth amendment was made on June 13, 2017.

Appendix III

Information on Directors' Shareholding

Number of shares held by individual directors and all directors recorded in the register of shareholders as of the date of cessation of transfer on April 12, 2019:

1. The paid-in capital of the Company as at April 12, 2019 was 11, 666,287,520 NT dollars (1,166,628,752 shares).
2. Minimum legal number of shares to be held by all directors: 32,000,000 Shares.
3. Shares held by all directors:

April 12, 2019

Title	Name	Election Date	Term of office	Shares held during election		List of Shareholders Stopping Transfer Recorded shareholding	
				Number of shares	Shareholding ratio	Number of shares (Note)	Shareholding ratio
Chairman Directors	Lishuo Investment (Stock) Company Representative: Zheng Zhilong Representative: Fan Huajun	June 13, 2017	Three years	54,244,429	4.65%	29,244,429	2.51%
Directors	Zheng Qintian	June 13, 2017	Three years	26,611,304	2.28%	26,611,304	2.28%
Directors	Zheng Xiuhui	June 13, 2017	Three years	8,151,512 (Note 1)	0.70%	8,151,512	0.70%
Independence Directors	Hong Xiyao	June 13, 2017	Three years	0	0%	0	0%
Independence Directors	Li Wencheng	June 13, 2017	Three years	0	0%	0	0%
Independence Directors	Yan Yunqi	June 13, 2017	Three years	0	0%	0	0%
Total directors						64,007,245	5.49%

Note 1: The number of shares listed above includes "Number of trust shares reserved for exercise of discretion".

Note 2: In accordance with Article 2 of the "Percentage of Shares of Directors and Supervisors of Public Companies and the Implementation Rules for Audit", if two or more independent directors are elected, the percentage of shares held by all directors other than independent directors shall be reduced to 80% on a ratio basis.