Stock Code : 2542



Highwealth Construction Corporation

2024 General Shareholders Meeting Meeting Handbook

Date of shareholders' meeting: June 13, 2024 Place of shareholders' meeting: No.8 Zhifu Rd, Zhongshan District, Taipei City (Serendipity Lounge, Dazhi Denwell Hotel)

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Highwealth Construction Corporation Procedures of the 2024 Annual Shareholders' Meeting

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

Highwealth Construction Corporation Agenda of the 2024 Annual Shareholders' Meeting

Method for convening the meeting: A physical shareholders' meeting

Time: June 13, 2024 (Tuesday) at 9:00 a.m.

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

- I. Call Meeting to Order
- II. Chairperson's Address

III. Report Items

- 1. The Company's Business Report for 2023.
- 2.Audit Committee's Review Report on 2023 Audited Financial Statements.
- 3.Report on the Distribution of Employees' Compensation and Remuneration to Directors for 2023.
- 4.Report on the Distribution of Cash Dividends from the Company's Retained Earnings for 2023.
- 5.Report on the Provision of Endorsements and Guarantees for 2023.

6.Report on Offering and Issuance Status of Corporate Bonds.

IV. Proposals for Acceptance and Approval

1.Business Report and Financial Report for 2023.

2.Distribution of Earnings of the Company for 2023.

V. Discussion Items

- 1.Issuance of New Shares by Capital Increase through Capitalization of 2023 Earnings.
- 2. Amendment of partial articles of Articles of Incorporation.
- 3.Amendment of partial articles of the Rules of Procedure for Shareholders' Meetings.

- 4.Revised certain parts of the Company Articles on "Endorsement Guarantee Operation Procedure".
- 5.Revised certain parts of the Company Articles on "Procedures of Acquisition or Disposal of Assets".
- VI. Election Matters
 - By-election of Independent Directors of the Company.
- VII. Extemporary Motions
- VIII. Adjournment

Report Items

Report Item I

Proposal: The Company's Business Report for 2023, please review.

Explanation:

The Company's Business Report for 2023 and Business Prospect for 2024, please review.

Please refer to the Business Report

Highwealth Construction Corporation Business Report

Hello, ladies and gentlemen:

First of all, I would like to thank all the shareholders for your longterm support and love to Highwealth Construction Corporation. It is my pleasure to report our operations and future development plans during the past year to all of you.

As we look back to 2023, the whole world is still not peaceful; the Russia-Ukraine war is at a stalemate, Israel and Palestine have started another war. Besides man-made disasters, there was a deadly earthquake that hit Turkey in 100 years, global warming was getting worse, and there were many wildfires, droughts, and floods occurring all around the world. The Fed has continuously raised interest rates. How to make inflation drop from the peak is the key concern for all countries. Despite the ongoing wars around the world, Taiwan's economic performance is quite impressive. Taiwan stock exchange's main index hit 20,000 points and the indexes reach record highs; Taiwan's economic growth is the highest among the Four Asian Tigers, so hot money continues to flow into Taiwan. Government introduced the amendment to the Equalization of Land Rights Act, the Preferential Housing Loans for the Youth and the TPASS monthly commuter pass, thus, the housing market has been solid and stable.

The market cap of Highwealth Group has already exceeded NT\$100 billion. Our next stage is to reach NT\$200 billion to NT\$300 billion, and asset management is one of the most critical elements in this process. Apart from the steady income generated from hotel business, Aloft Tainan Anping has also successfully organized the "VIP Real Estate Club", which is a pioneer in real estate industry; the Hyatt Regency Jinshan will soon be opened this year, which has already attracted a lot of attention in the market. For the year 2024, there are

five major projects scheduled to be finished, including "Zhan Qian Xinyue" in Taoyuan, "Wenshin Aiyue" in Taichung, "Aichinhai" in Tainan, "Highwealth Poai" in Kaohsiung, and "Aichungho Left Bank" in Kaohsiung. These projects will generate approximately NT\$35.9 billion new housing construction income. The Company has more than 40 projects available to be launched in the future, with a value of approximately NT\$448.5 billion. The Company's project volume is expected to grow steadily, and it will work hard to make profit and return to shareholders.

In 2023, despite the impact of delayed delivery of completed houses, resulting in a decrease in revenue recognized in the account. Nevertheless, with incomes generated by its subsidiaries, the Company's revenue in 2023 amounted to NT\$44 billion, increasing by 68% YoY. This was the third highest record in the history of the Company, making the Company once again become the "King of Revenue" among listed construction companies in Taiwan. The construction cases consolidated in the revenue include: Shihsanho Condominium in Qingpu, Hua Yue City, and Taipei CBD Times Square. The contributing construction cases to the revenue at Taichung Menghuancheng Codominium, TOP1 Codominium, comprise Hengyung Condominium, Poshi Condominium, Holiwon Castle Codominium, Siji Tianyuan Codominium, and Wenhuahui Codominium. In the south, the contributing construction cases include Huarenhui Condominium, Kaohsiung CBD, and the Yishu Castle in Kaohsiung City, coupled with the revenue contributions from subsidiary, Chyi Yuh Construction's projects; revenue contributions from the Group - Runlong Construction's projects, namely Shihengbin (Shangye District) Condominium, Juke Run Long Condominium, Chu Ke Runlong Condominium, Kuoja No. 1 Taichung, Taichung Dibao Condominium, National Central City Condominium, and Shuhoyuan Condominium. These cases had created an after-tax profit of NT\$1.33

per share for 2023.

Aiming at the rigid demand for real property, Highwealth is pursuing its two business directions: "residential house" and "commercial office". Parents always hope their children will have a bright future. With this thought in mind, the Group has launched small 2-3 bedroom condos closed to school districts in Taoyuan, Taichung, and Kaohsiung to attract parents to buy houses to prepare for their children's education in advance, and the sales have gone very well. As for commercial offices, in addition to being the top leader in Grade A commercial offices, we have launched "micro-size commercial office" products in response to the start-up trend in Taiwan and the office style changes in the post pandemic era. The space in Municipal Vision Square located in Taichung's 7th Redevelopment Zone is 25-45 pings, making it possible for young entrepreneurs to be able to purchase their own office, and making business owners willing to pay for it.

The Group strives for innovation and sustainable development, and has also achieved great results in ESG initiatives. The Group has sponsored the Taipei Highwealth Baseball Team for 9 consecutive years, the Why Not Me Youth Basketball Tournament for 2 consecutive years, and has partnered with St. Joseph Technical Senior High School to launch the "3D Modeling Application of BIM Architectural Information Class", which provides students with the opportunity to pursue higher education while working for the Group after graduation. In addition, the Group has cooperated with Taisei Corporation to send our staff to Japan from time to time each year to observe the most advanced commercial offices and zero-energy-consumption buildings in Japan and to study how the Japanese government implements the BOT case to create a win-win model. We continue to explore the world, through mutual technical discussions, and introduce others' successful experiences to Taiwan. We approach the market from different perspectives, and we are most concerned about and strive to provide consumers with comfortable housing and offer employees a suitable working environment for sustainable development.

In response to the Taichung MRT Green Line incident that occurred in 2023, the Group has reviewed and improved the incident with an open mind, and will not avoid its legal responsibility. The Group has compensated NT\$225 million in accordance with the arbitration result, and has also strengthened the self-inspection process at all construction sites, as well as received audits from the competent authority for all construction projects in order to implement industrial safety measures in accordance with the relevant regulations.

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

I. Operating Conditions in 2023

(I) Operating results

The Company's net consolidated revenue for 2023 was NT\$44,067,193 thousand, representing an increase of NT\$17,439,960 thousand as compared to NT\$26,627,233 thousand for 2022.

The Company's consolidated net profit before tax for 2023 was NT\$10,752,524 thousand, representing a increase of NT\$5,879,246 thousand as compared to NT\$4,873,278 thousand for 2022.

The delay in construction projects was mainly attributable to the failure to resolve labor and material shortages. In addition, due to the Fed's interest rate hike and numerous wars occurring around the world, resulting in a decrease in the number of completed projects and sales in the year, which led to a decrease in operating income as compared to the previous period. (II) Budget implementation status

In accordance with the Regulations Governing the Publication of Financial Forecasts of Public Companies, it is not necessary for the Company to prepare financial forecasting for 2023.

(III) Financial income and expenses

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

Unit: NT\$ thousand

Item	2023	2022
Net operating income	11,712,132	5,636,978
Non-operating income	(959,608)	(763,700)
Pre-tax net profit	10,752,524	4,873,278
Net profit	8,834,939	3,905,940
Total comprehensive	8,840,652	3,910,559

(IV) Profitability capacity analysis

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

Item	2023	2022
Return on Assets (%)	4.33	2.19
Return on Equity (%)	16.61	8.24
Pre-tax net profit to paid-in	57.07	28.42
Net profit rate (%)	20.05	14.66
Earnings per share(NT\$)	1.33	2.29

- (III) Status of research and development
 - 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, the Company always keep track the real estate market information, collect the land and housing market data in every area, discuss and analyze these information in order to provide the basis for product positioning and marketing strategy, and to create high sales rate as the goal.
- II. Prospects of 2024

Highwealth Group will continue to purchase land in Keelung, Taipei, New Taipei City, Taoyuan, Taichung, Tainan, and Kaohsiung districts in 2024, and explore hotel business, in order to set new records in revenue through diversified operating strategies.

The objectives for the coming years are declared as follows:

(I) Operating Policy

The Highwealth Group's core values are "integrity", "sustainable management", and "contributing to the society". We are working towards the goal of doubling the market value of the Company to make profits for both employees and shareholders. With the Group's diversified business strategies, our operating policies are as follows:

1. Development: Integrate the advantages of construction, hotel and distribution business to provide customers with more complete life solutions. At the same time, we will share with world-class partners and learn from diverse experiences, so that consumers can enjoy world-class highquality products in Taiwan. We have partnered with the world's largest hotel chains, Marriott and Hyatt, to open star-rated hotels and implement diversified operations.

Our product development is expanding towards professionalism, diversifying risks, mastering project quality and progress, and vertically integrating upstream, midstream and downstream business partners to optimize efficiency and enhance competitiveness.

- 2. Development: In the past, the company's land development projects were planned and implemented after acquiring plain land. In response to the government's policy, especially the bank's restriction on land construction financing, the Company has already planned ahead to address the situation. We have adopted a new strategy of increasing the proportion of joint construction and urban renewal projects and diversifying land acquisition methods to reduce capital expenditure and to spread operating risks to ensure that our project sources will not be interrupted.
- 3. Planning: ESG sustainability is being promoted around the world, and it has become a trend for the construction industry to advance green buildings, use resourcerecycling green building materials, reduce carbon emissions, and reduce waste. The Company learns the

characteristics of the design and planning of real estate buildings in various countries extensively, attaches importance to the fire prevention labels, green buildings, building materials labels, intelligent building labels and earthquake-resistant building labels in public areas, and adds the concepts of energy conservation, water conservation, ecology and environmental protection to enhance the improvement of building quality. Depending on the market demand differences and regional differences, structural changes in population and family composition, the Company plans and designs high-quality products to accommodate its customer's needs, and provides perfect after-sales service to further enhance customer trust in the brand of Highwealth.

4. In terms of management system: We provide opportunities to train talents and insist on the ethical sharing and humanistic respect to enhance business performance and sustainable development. In order to cope with the increasing business scale, apart from strengthening the internal control system, budget management and corporate governance, the Company has also enforced job accountability and digitalized various processes to increase work efficiency, and strengthened the coordination of horizontal and vertical communication and improve the internal control system to facilitate the Company to grow rapidly, while increasing work and management efficiency. Talents are the key to Group's sustainable development. We continuously provide opportunities to cultivate the talents required for the Company's business, follow "Integrity" Management" and "Sustainable concepts, and continue our business to enhance

performance and sustainable development with the spirit of "Innovation, Quality, and Service". At the same time, in response to the ESG (Environment, Social and Governance) and DEI (Diversity, Equity and Inclusion) trends, the world's enterprises attach great value to the social responsibility for their talents, Highwealth Group once again joins the 2024 TALENT, in Taiwan, the Alliance for Talent Sustainability. At this critical moment, Hing Fu Fa Group once again joins the "2024 TALENT, in Taiwan. Taiwan Talent Sustainability Development Alliance"!

- 5. In terms of finances: Ensure that the Company achieves its operating performance targets, strengthens the financial operating capability, maintains the appropriate equity ratio to cater to the fluctuation of market interest rates, and raises the long and short-term funding requirements, so as to enhance the competitiveness of the Company.
- 6. Resources: We implement the sustainable development policy, actively train the manpower needs for future development, enhance the company's competitiveness to provide better services, and protect and implement various benefits and the rights for our employees, so that the interests of employees and the company can be integrated and create common prosperity and coexistence.
- (II) Major 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) Establish appropriate pricing, sales channels and advertisement strategy pertinent to the characteristics of the products, supervise target meeting of each sales scheme and closely monitor the market trend to allow flexible adjustments for facilitating project development and maximizing profitability.
- (3) To implement diversified business strategies, the Company will increase the proportion of commercial real estate, enter into the hotel business, and improve the operating performance for its investment business.
- (4) In respond to labor shortage currently, the Company will continue to develop BIM Architectural Information Center, precast method, aluminum mold, robot application, enhance engineering techniques, quality, efficiency and environmental friendly, and promote renovation to construction technology in Taiwan comprehensively.
- (5) The product positioning and construction planning of projects that are yet to be developed must be responsive to the demands of the housing market and the changes in the economic environment. The Company shall seek to meet its targets for improving its products, services, safety and active development.
- 2. Sales strategies:
 - (1) Sales objective of zero-unsold completed units.
 - (2) Conduct analysis of market demand and work well in product positioning.

- (3) Establish diversified marketing channels and apply big data technology.
- (4) Establish enterprise brand identification and "customeroriented" service orientation.
- (5) Adopt the most appropriate construction method to work well in quality control and cost control.
- (6) Strengthen the discussion of relevant laws and decrease the possibility of house purchase disputes.
- (III) Future development strategies of the Company
 - 1. Focus on own business: We have effectively integrated the resources with our partners, strengthened the diversified development strategies in construction methods and building materials, and implemented the high-quality and rapid project development policy in order to steadily expand our business layout.
 - 2. Develop the second core business: We utilize commercial real estate to develop businesses that generate a fixed income, and plan and develop business opportunities to support the stable dividend policy.
 - 3. Digital transformation: As digital technology and tools become popular, the Building Information Modeling (BIM) Center has been established in Kaohsiung and Taichung. It not only improves design efficiency, reduces construction costs, improves construction quality and safety, but also extends to aluminum formwork. In the future, we plan to introduce transportation robots to implement our innovative mind.
 - 4. Environmental protection and energy saving: In order to be in line with the global trend, we will actively obtain

international green building certification for future projects and apply energy-saving technologies and renewable energy to improve the energy efficiency and environmental protection of the buildings.

- 5. International cooperation: We cooperate with world famous enterprises, for example, the world's largest hotel chain Marriott and Hyatt, international architecture and design team Aedas, G.a Design, Pia, etc., to expand the business scale and influence and to improve the competitiveness of products.
- 6. Talent training: To address the serious labor shortage problem, the Company has strengthened talent training, established a comprehensive career development system, provided better career opportunities and training opportunities for employees, so that we can attract outstanding talents to join us and enhance our core competitiveness.

III. Influences of external competitive environment, regulatory environment and the overall business environment

(I) External competition:

According to the Ministry of the Interior, 306,971 properties were sold and transferred in 2023, decreasing by approximately 11,000 properties a year, or 3.5%, which was a new record low in the past four years. The good news was, the housing market started weak and then boomed in 2023, with a 20.9% increase in the second half of the year over the first half of the year, as the market was dominated by rigid demand. The Company continues to lead the industry and obtain the largest market share by taking advantage of its brand, team and flexible marketing strategy, in response to

rapid changes in the industry. The Company has introduced small 2-3 bedroom condos to lower the total purchase price, and has also provided a favorable payment plan to make home buyers willing to purchase a home.

(II) Legal Environment:

The Central Bank had raised its key interest rate by 0.125 percent in Q1 2023 and Q1 2024 respectively, plus the fifth round of selective credit control, and the amendment to the Equalization of Land Rights Act; luckily, the government had offered the "Preferential Housing Loans for the Youth", which motivated first-time home buyers to purchase houses. The number of applicants applying for the Preferential Housing Loans for the Youth, as a percentage of the number of houses transferred nationwide, had been increasing every month, and the real estate market had gradually improved. With the continuous updating and changes in the market and construction regulations, the Company has been making efforts to strictly comply with the procedures and operations to meet the latest regulatory requirements in order to ensure shareholders' interests.

(III) Overall business environment:

According to a study by the Taiwan Institute of Economic Research, the overall housing market in 2024 showed a slight increase in volume while prices remained high. As the domestic economy gradually recovered, the Preferential Housing Loans for the Youth stimulated the rigid demand, the tight monetary policy may gradually be over, all of which are favorable factors for the housing market. The Company is optimistic about the housing market, this year is still a good time for home buyers to purchase properties for living and for investing. In particular, we are optimistic about the demand for office space and factory expansion as a result of Taiwanese businessmen returning to Taiwan. By the year 2024, office products will account for more than 70% of the total sales.

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



Report Item II

- Proposal: Audit Committee's Review Report of the Company's Audited Financial Statements for 2023, please review.
- Explanation: (I) The financial statements of the Company and its consolidated subsidiaries in 2023 have been certified by the Audit Committee, and the review report has been issued.
 - (II) The Audit Committee convener is invited to read out the review report.

Highwealth Construction Corporation Inspection Report of Audit Committee

The Board of Directors prepared the 2023 financial statements of the Company and its consolidated subsidiaries, which was audited by the accountants of KPMG Certified Public Accountant Office, Han Yilien and Tim Tzang. The Audit Committee has reviewed the business report and earnings appropriation proposal, and finds no material misstatement. In accordance with the Securities and Exchange Act, Article 14-4 and the Company Act, Article 219, the Committee hereby submits the review report.

То

2024 Annual Shareholder's Meeting of Highwealth Construction Corporation

Audit Committee Convener: Li Wencheng

京市

March 26, 2024

Report Item III

- Proposal: Report on the Distribution of Employees' Compensation and Remuneration to Directors for 2023, please review.
- Explanation: (I) In accordance with Article 29 of the Articles of Incorporation, considering the overall shareholders' interest, and referring to the level of the industry and the overall economic environment, the Company has appropriated NT\$38,000,000 as employee compensation and NT\$8,000,000 as director remuneration for 2023, all of which were distributed in cash.
 - (II) The amount of appropriation was estimated and proposed based on the financial statements of the Company, and there was no difference from the estimated amount of the recognized expenses for 2023.
 - (III) The amount of employee and director remuneration proposed for distribution and the payment method have been discussed and approved by the Salary and Remuneration Committee.

Report Item IV

- Proposal: Report on the Distribution of Cash Dividends from the Company's Retained Earnings for 2023, please review.
- Explanation: (I) In accordance with Articles 29-1 of Articles of Incorporation, the Company granted the authority to the Board to determine a part or all of the bonus may be distributed by cash with a resolution and report to the shareholders' meeting.
 - (II) For the earnings distribution for 2023, apart from the 10% appropriation to the legal reserve in accordance with the law and regulations, the distribution percentages were made in accordance with the Articles of Incorporation, whereby NT\$932,070,796 of the earnings was appropriated as cash dividend of NT\$0.5 per share (i.e., NT\$500 for every thousand shares) for 2023.
 - (III) The cash dividends are calculated up to NT\$1.0 (decimal points are rounded down). The total uncounted shares in fractions of NT\$1.0 shall be listed as other income of the Company.
 - (IV) In case of changes to laws and regulations or adjustments made by competent agencies or the buyback, cancellation, share exchange of corporate bonds, issuance of new stocks or other changing factors affecting the shares by the Company afterwards, resulting changes to current number of

shares and pay-out ratio, full authorization shall be given to Board of Directors to make adjustments on these matters. Report Item V

Proposal: Report on the Provision of Endorsements and Guarantees for 2023, please review.

Explanation: The maximum endorsement and guarantee provided by the Company amounts to NT\$93,186,532 thousand. As of December 31, 2023, the balance of endorsements and guarantees amounted to NT\$17,359,000 thousand. The recipients of the endorsements and guarantees are as follows:

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		e/Guarant ee		The r and	Tl gu		End	Ratio guar finan	Max	Endor I	Endor	
Endorser/Guarantor	Company name	Relation	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	Endorsement and guarantee provided by parent company to subsidiary	rsement and guarantee provided by subsidiary to parent company	Endorsement and guarantee provided to mainland China
The Company	Chyiyuh Construction	Subsidiary of the Company	46,593,266	7,846,000	7,846,000	6,669,000	-	16.84%	93,186,532	Y	N	Ν
The Company	Boyuan Construction	Subsidiary of the Company	46,593,266	4,028,000	4,028,000	2,422,000	1,648,000	8.65%	93,186,532	Y	N	Ν
The Company	Well Rich International	Subsidiary of the Company	46,593,266	540,000	540,000	-	-	1.16%	93,186,532	Y	N	Ν
The Company	Pi Chiang Enterprise	Subsidiary of the Company	46,593,266	3,145,000	3,145,000	3,145,000	-	6.75%	93,186,532	Y	Ν	Ν
The Company	Highwealth Construction	Subsidiary of the Company	46,593,266	350,000	350,000	-	-	0.75%	93,186,532	Y	N	Ν
The Company	Hundred Million Mark Enterprise Co., Ltd.	Subsidiary of the Company	46,593,266	1,450,000	1,450,000	-	-	3.11%	93,186,532	Y	N	N

Unit: NT\$ thousand

Report Item VI

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 issuance of the first domestic secured ordinary corporate bonds of NT\$1.45 billion in 2023 was approved by Taipei Exchange Letter Zheng-Gui-Zhai-Zi No. 11200121621 dated December 4, 2023, and Letter Zheng-Gui-Zhai-Zi No. 11200122842 dated December 8, 2023.
- (II) The issuance of the first domestic secured ordinary corporate bonds of NT\$1.6 billion in 2024 was approved by Taipei Exchange Letter Zheng-Gui-Zhai-Zi No. 11200127381 dated January 3, 2024, and Letter Zheng-Gui-Zhai-Zi No. 11300000512 dated January 5, 2024.
- (III) Please refer to pages 58 to 59 (Attachment I) of the Meeting Handbook for the issuance status of the aforementioned corporate bonds.

Proposals for Acceptance and Approval

Proposals for Acceptance and Approvalproposed by the Board of Directors

Item I

Proposal: To approve the 2023 Business Report and Financial Report.

- Explanation: (I) The Company's 2023 business report and financial report have been prepared; the 2023 standalone and consolidated financial report have been audited by CPA Yi-Lien Han and CPA Tseng, Kuo-Yang from KPMG Taiwan, and an audit report has been issued, together with the business report (please refer to pages 7 to 20 of this Handbook), which has been audited and completed by the Audit Committee.
 - (II) Please refer to the following financial statements.

Resolution:

Highwealth Construction Corporation 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, 2023 and 2022, 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, 2023 and 2022, 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 Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

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, 2023. 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 on sales of properties and land

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

Description of key audit matter

Since the Company operates in the real estate industry, in which its sales revenue is recognized upon the transfer of ownership of its real estate and the actual delivery of its housing unit to a large number of clients, the confirmation on the validity of the timing of the sales revenue recognition is crucial. Hence, the Company needs to thoroughly examine the transfer of its ownership and the data on the delivery of its housing units for its entire transactions to recognize the sales revenue, which usually involves tremendous amount of manual efforts. Therefore, sales revenue recognized as one of our key audit matters.

Auditing procedures proformed

Our principal audit procedures included:

- Testing the effectiveness of the design and implementing the internal control system of sales revenue.
- Performing substantive tests on randomly selected samples of sales contracts, and real estate ownership transfer documents; as well as checking the sales data and general ledger to ensure consistency.
- 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 6(e) 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

Inventories, which play a significant role in the Company's business operation, account for 71% of the Company's total assets, wherein the evaluation has to comply with the International Accounting Standards Bulletin No. 2. Moreover, if the net realizable value of inventories is inaccurately assessed, it will result in a negative impact on the financial report. Therefore, inventory evaluation has been recognized as one of our key audit matters.

Auditing procedures proformed

• Understanding the Company's operating and accounting procedures for I and held for the subsequent measurement of inventories Obtain the Company management's data of land held for construction sites and construction in progress valuation, inspecting and recalculating the net realizable value of I and held for construction sites and construction in progress 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 Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and 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, 2023 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 Han, Yi-Lien and Tseng, Kuo-Yang.

KPMG

Taipei, Taiwan (Republic of China) March 14, 2024

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' audit 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 independent auditors' audit report and parent company only financial statements, the Chinese version shall prevail.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

		D	ecember 31, 2	December 31, 2022			
	Assets		Amount	%	Amount	%	
	Current assets:						
1100	Cash and cash equivalents (Note 6(a))	\$	7,615,548	5	8,448,964	6	
1110	Current financial assets at fair value through profit or loss (Notes 6(b) and 8)		327,895	-	265,237	-	
1150	Notes receivable, net (Notes 6(d) and 8)		1,389,448	1	2,026,846	1	
1170	Accounts receivable, net (Notes 6(d) and 7)		14,798	-	39,059	-	
130X	Inventories (Notes 6(e), 7 and 8)		111,636,808	71	107,006,078	70	
1410	Prepayments (Note 7)		621,498	-	260,376	-	
1476	Other current financial assets (Notes 6(k), 7, 8 and 9(b))		8,655,432	6	9,318,709	6	
1479	Other current assets, others		47,327	-	19,401	-	
1480	Current assets recognized as incremental costs to obtain contract with customers (Note 6(k))		1,891,752	1	1,641,114	1	
		_	132,200,506	84	129,025,784	84	
	Non-current assets:						
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(c) and 7)		5,000	-	5,000	-	
1550	Investments accounted for using equity method, net (Notes 6(f), (g) and 8)		12,846,633	8	11,900,907	8	
1600	Property, plant and equipment (Notes 6(h) and 8)		444,454	-	455,402	-	
1755	Right-of-use assets (Note 6(i))		36,708	-	41,511	-	
1760	Investment property, net (Notes 6(j) and 8)		8,704,350	6	7,946,944	5	
1780	Intangible assets		5,888	-	5,048	-	
1840	Deferred tax assets (Note 6(s))		14,544	-	14,544	-	
1980	Other non-current financial assets (Notes 6(k) and 8)		3,048,970	2	3,801,981	3	
1990	Total other non-current assets, others		118,836		132,875	_	
			25,225,383	16	24,304,212	16	

		1	December 31, 2	023	December 31, 2	2022
	Liabilities and Equity	_	Amount	%	Amount	%
	Current liabilities:					
2100	Short-term borrowings (Note 6(l))	\$	73,537,038	47	73,267,113	
2110	Short-term notes and bills payable (Note 6(m))		2,638,019	2	3,010,189	2
2130	Current contract liabilities (Notes 6(v), 7 and 9(a))		8,829,452	6	7,023,706	5
2150	Notes payable		1,309	-	2,452	-
2170	Accounts payable		413,714	-	453,409	-
2180	Accounts payable to related parties (Note 7)		1,822,337	1	1,358,669	1
2200	Other payables (Note 7)		4,752,170	3	2,100,750	1
2230	Current tax liabilities		153,927	-	714,963	-
2280	Lease liabilities-current (Note 6(p))		44,455	-	40,905	-
2305	Other current financial liabilities (Note 7)		226,134	-	226,291	-
2321	Bonds payable, current portion (Note 6(o))		1,999,129	1	2,489,554	2
2322	Long-term borrowings, current portion (Note 6(n))		2,298,119	1	70,929	-
2399	Other current liabilities, others		246,890		226,474	
			96,962,693	61	90,985,404	59
	Non-Current liabilities:					
2530	Bonds payable (Note 6(0))		10,378,610	7	13,911,921	9
2540	Long-term borrowings (Note 6(n))		3,414,413	2	3,714,573	3
2570	Deferred tax liabilities (Note 6(s))		340	-	340	-
2580	Non-current lease liabilities (Note 6(p))		76,814	-	109,680	-
2640	Net defined benefit liability, non-current (Note 6(r))		18,451		23,971	
			13,888,628	9	17,760,485	12
	Total liabilities		110,851,321	70	108,745,889	71
	Stockholders'Equity:					
3100	Common stock (Note 6(t))		18,841,415	12	17,146,741	11
3200	Capital surplus (Note 6(t))		8,836,578	6	8,408,194	6
	Retained earnings (Note 6(t)):					
3310	Legal reserve		8,773,652	6	8,363,751	5
3350	Unappropriated retained earnings		11,094,585	7	11,642,373	8
3400	Other equity interest (Note 6(t))		214	-	268	-
3500	Treasury stock (Note 6(t))		(971,876)	(1)	(977,220)) <u>(1</u>)
	Total equity		46,574,568	30	44,584,107	29
	Total liabilities and equity	\$	157,425,889	100	153,329,996	100

Total assets

<u>157,425,889</u> <u>100</u> <u>153,329,996</u> <u>100</u>

\$_____

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(q) and (v))	\$ 13,241,365	100	23,785,809	100
5000	Operating costs (Note 6(e))	9,595,988	72	16,707,175	70
	Gross profit from operations	3,645,377	28	7,078,634	30
5920	Add:Realized profit (loss) on from sales	39,533		40,101	
		3,684,910	28	7,118,735	30
	Operating expenses:				
6100	Selling expenses (Note 7)	592,902	5	942,879	4
6200	Administrative expenses	794,884	6	1,455,745	6
		1,387,786		2,398,624	10
	Net operating income	2,297,124	17	4,720,111	20
	Non-operating income and expenses:				
7100	Total interest income (Note $6(x)$)	105,926	1	29,877	-
7010	Other income (Notes (x) and 7)	96,654	1	87,906	-
7020	Other gains and losses, net (Note $6(x)$)	137,975	1	(22,390)	-
7050	Finance costs, net (Note $6(x)$)	(842,113)	(6)	(697,231)	(3)
7070	Share of profit (loss) of associates and joint ventures accounted for	842,311	6	391,009	2
	using equity method, net (Note 6(f))		-		
	Total non-operating income and expenses	340,753	3	(210,829)	<u>(1</u>)
	Profit from continuing operations before tax	2,637,877	20	4,509,282	19
7950	Less: Income tax expenses(Note 6(s))	200,505	2	768,284	3
	Profit	2,437,372	18	3,740,998	16
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be				
0211	reclassified to profit or loss	5 00 1		0.417	
8311	Gains on remeasurements of defined benefit plans (Note 6(r))	5,294	-	2,417	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	-	-	2,814	-
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	473	-	(659)	-
0240	or loss				
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	5,767		4,572	
8360	Components of other comprehensive income that will be reclassified				
	to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(54)	-	47	-
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	(54)		47	
	reclassified to profit or loss				
8300	Other comprehensive income	5,713	-	4,619	-
	Total comprehensive income	\$ <u>2,443,085</u>	18	3,745,617	16
	Earnings per share (Note 6(u))	¢	1.22		3.00
	Basic earnings per share	3	1.33		2.08
	Diluted earnings per share	D	1.33		2.05

See accompanying notes to parent company only financial statements.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

						Tota	l other equity intere	est		
	Share capital	-		Retained earnings		Exchange differences on	Unrealized gains (losses) on financial assets measured at fair value through			
	Common	Capital	Legal	Unappropriated	Total retained	translation of foreign financial	other comprehensive	Total other	Treasury	
	stock	surplus	reserve	retained earnings	earnings	statements	income	equity interest	stock	Total equity
Balance on January 1, 2022	\$ 13,927,531	3,609,808	7,552,326		23,621,566	221	538,526	538,747	(973,783)	40,723,869
Profit (loss)	-	-	-	3,740,998	3,740,998	-	-	-	-	3,740,998
Other comprehensive income	-		-	1,758	1,758	47	2,814	2,861		4,619
Total comprehensive income		-	-	3,742,756	3,742,756	47	2,814	2,861		3,745,617
Appropriation and distribution of retained earnings in 2021:										
Legal reserve appropriated	-	-	811,425			-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(6,171,566)	())		-	-	-	(6,171,566)
Stock dividends of ordinary share	1,542,891	-	-	(1,542,891)	(1,542,891)	-	-	-	-	-
Conversion of convertible bonds	1,676,319	4,674,723	-	-	-	-	-	-	-	6,351,042
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	117,460	-	-	-	-	-	-	-	117,460
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(185,081)	(185,081)	-	-	-	-	(185,081)
Changes in ownership interests in subsidiaries	-	817	-	-	-	-	-	-	(3,437)	(2,620)
Other changes in capital surplus	-	5,386	-	-	-	-	-	-	-	5,386
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	541,340	541,340		(541,340)) (541,340)	-	-
Balance on December 31, 2022	17,146,741	8,408,194	8,363,751	11,642,373	20,006,124	268	-	268	(977,220)	44,584,107
Profit (loss)	-	-	-	2,437,372	2,437,372	-	-	-	-	2,437,372
Other comprehensive income		-	-	5,767	5,767	(54)	-	(54)		5,713
Total comprehensive income	-		-	2,443,139	2,443,139	(54)		(54)		2,443,085
Appropriation and distribution of retained earnings in 2022:										
Legal reserve appropriated	-	-	409,901	(409,901)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(847,337)	(847,337)	-	-	-	-	(847,337)
Stock dividends of ordinary share	1,694,674	-	-	(1,694,674)	(1,694,674)	-	-	-	-	-
Acquisition of company's share by subsidiaries recognized as treasury share	-	-	-	-	-	-	-	-	(942)	(942)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	10,070	-	-	-	-	-	-	- 1	10,070
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	419,416	-	(39,015)	(39,015)	-	-	-	-	380,401
Changes in ownership interests in subsidiaries		(1,102)							6,286	5,184
Balance at December 31, 2023	\$ 18,841,415	8,836,578	8,773,652	11,094,585	19,868,237	214	-	214	(971,876)	46,574,568

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

		2023	2022	
Cash flows from (used in) operating activities:				
Profit before tax	\$	2,637,877	4,509,282	
Adjustments:				
Adjustments to reconcile profit (loss):				
Depreciation expense		112,303	108,681	
Amortization expense		7,780	6,065	
Expected credit gain		(1,672)	-	
Net (gain) loss on financial assets or liabilities at fair value through profit or loss		(62,658)	7,617	
Interest expense		842,113	697,231	
Interest income		(105,926)	(29,877)	
Dividend income		(9,961)	(26,882)	
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		(842,311)	(391,009)	
Gain on disposal of property, plant and equipment		-	(22,378)	
(Gain) loss on disposal of investment properties		(77,992)	54	
Realized profit on from sales		(39,533)	(40,101)	
Others			554,272	
Total adjustments to reconcile profit (loss)		(177,857)	863,673	
Changes in operating assets and liabilities:				
Changes in operating assets:				
Decrease (increase) in notes receivable		642,378	(85,982)	
Decrease in accounts receivable		20,953	49,848	
(Increase) decrease in inventories		(3,318,054)	2,980,594	
Decrease in other non-current assets		15,185	5,991	
Increase in prepayments		(337,873)	(171,249)	
(Increase) decrease in other current assets		(27,926)	115,696	
Increase in other financial assets		(139,217)	(468,328)	
Increase in incremental costs to obtaining a contract		(250,638)	(26,529)	
Total changes in operating assets		(3,395,192)	2,400,041	
Changes in operating liabilities:				
Increase in contract liabilities		1,805,746	610,602	
(Decrease) increase in notes payable		(1,143)	353	
Increase (decrease) in accounts payable (include related parties)		423,973	(207,954)	
Decrease in other payable		(359,617)	(436,370)	
(Decrease) increase in other financial liabilities		(157)	97,894	
Increase (decrease) in other current liabilities		20,416	(176,812)	
(Decrease) increase in net defined benefit liability		(226)	2	
Total changes in operating liabilities		1,888,992	(112,285)	
Total changes in operating assets and liabilities		(1,506,200)	2,287,756	
Total adjustments		(1,684,057)	3,151,429	
Cash inflow generated from operations		953,820	7,660,711	
Income taxes paid		(761,580)	(937,934)	
Net cash flows from (used in) operating activities		192,240	6,722,777	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese) HIGHWEALTH CONSTRUCTION CORP.

Statements of Cash Flows (CONT'D)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollar)

	2023	2022
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	-	(3,456,844)
Proceeds from disposal of investments accounted for using equity method	282,734	-
Proceeds from capital reduction of investments accounted for using equity method	-	18,000
Acquisition of property, plant and equipment	(2,938)	(8,850)
Proceeds from disposal of property, plant and equipment	-	50,220
Acquisition of intangible assets	(8,620)	(7,371)
Acquisition of investment properties	(746,702)	(1,088,898)
Proceeds from disposal of investment properties	120,715	-
Increase in other non-current assets	(1,146)	(59,976)
Interest received	105,967	29,212
Dividends received	58,477	110,428
Net cash flows from (used in) investing activities	(191,513)	(4,414,079)
Cash flows from (used in) financing activities:		
Increase in short-term loans	11,209,330	15,197,950
Decrease in short-term loans	(10,944,269)	(10,947,560)
Decrease in short-term notes and bills payable	(372,170)	(1,673,249)
Proceeds from issuing bonds	1,450,000	2,000,000
Repayments of bonds	(2,500,000)	(13,540)
Proceeds from long-term debt	2,048,000	2,042,000
Repayments of long-term debt	(120,970)	(552,228)
Payment of lease liabilities	(41,229)	(37,222)
Cash dividends paid	(847,337)	(6,171,566)
Interest paid	(2,270,962)	(1,806,280)
Other financing activities	1,555,464	613,751
Net cash flows from (used in) financing activities	(834,143)	(1,347,944)
Net increase in cash and cash equivalents	(833,416)	960,754
Cash and cash equivalents at beginning of the year	8,448,964	7,488,210
Cash and cash equivalents at end of the year	\$7,615,548	8,448,964

See accompanying notes to parent company only financial statements.

Highwealth Construction Corporation 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 sheet as of December 31, 2023 and 2022, 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 material 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, 2023 and 2022, 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 ("IFRSs"), 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

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, 2023 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 on sales of properties and land

Please refer to note 4(p) and 6(y) of the consolidated financial statements for the accounting policy on revenue recognition and the details of revenue.

Description of key audit matter

Since the Group operates in the real estate industry, in which its sales revenue is recognized upon the transfer of ownership of its real estate and the actual delivery of its housing unit to a large number of clients, the confirmation on the validity of the timing of the sales revenue recognition is crucial. Hence, the Group needs to thoroughly examine the transfer of its ownership and the data on the delivery of its housing units for its entire transactions to recognize the sales revenue, which usually involves tremendous amount of manual efforts. Therefore, sales revenue recognition has been recognized as one of our key audit matters.

Auditing procedures performed

Our principal audit procedures included:

- Testing the effectiveness of the design and implementing the internal control system of sales revenue.
- Performing substantive tests on randomly selected samples of sales contracts, and real estate ownership transfer documents; as well as checking the sales data and general ledger to ensure consistency.
- 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 $4(h) \cdot Note 5$ "Revenue" and 6(f) 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

Inventories, which play a significant role in the Group's business operation, account for 73% of the Group's total assets, wherein the evaluation has to comply with the International Accounting Standards Bulletin No. 2. Moreover, if the net realizable value of inventories is inaccurately assessed, it will result in a negative impact on the financial report. Therefore, inventory evaluation has been recognized as one of our key audit matters.

Auditing procedures performed

• Understanding the Group's operating and accounting procedures for I and held for the subsequent measurement of inventories Obtain the Group management's data of land held for construction sites and construction in progress valuation, inspecting and recalculating the net realizable value of I and held for construction sites and construction in progress 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.

Other Matter

Highwealth Construction Corp. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, 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 Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and 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, 2023 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 Han, Yi-Lien and Tseng, Kuo-Yang.

KPMG

Taipei, Taiwan (Republic of China) March 14, 2024

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' audit 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' audit report and consolidated financial statements, the Chinese version shall prevail.

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousand of New Taiwan Dollars)

		December 31, 2	023	December 31, 2	2022
	Assets	Amount	%	Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	\$ 14,702,019	6	14,158,954	6
1110	Financial assets at fair value through profit or loss-current (Notes 6(b) and 8)	327,895	-	265,237	-
1140	Current contract assets (Note 6(y))	27,475	-	49,113	-
1150	Notes receivable, net (Notes6(e) and 8)	2,019,389	1	2,230,666	1
1170	Accounts receivable, net (Notes 6(e) and 7)	146,930	-	1,213,970	-
130X	Inventory (Notes 6(f) and 8)	165,501,944	73	168,082,584	75
1410	Prepayment	1,342,244	1	1,328,493	1
1476	Other financial assets-current (Notes 6(m) \$ 8 and 9(b))	20,508,024	9	14,395,841	6
1479	Other current assets, others	387,547	-	215,904	-
1480	Current assets recognised as incremental costs to obtain contract with customers (Note 6(m))	4,039,075	2	3,771,528	2
		209,002,542	92	205,712,290	91
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(c) and 7)	5,000	-	5,000	-
1535	Non-current financial assets at amortised cost, net (Note 6(d))	30,000	-	-	-
1550	Investments accounted for using equity method, net (Note 6(g))	114,034	-	109,127	-
1600	Property, plant and equipment (Notes 6(j) and 8)	7,393,698	3	5,910,328	3
1755	Right-of-use assets (Note 6(k))	145,466	-	168,807	-
1760	Investment property (Notes 6(1) and 8)	5,554,332	3	5,436,871	3
1780	Intangible assets	31,151	-	31,365	-
1840	Deferred tax assets (Note 6(v))	68,479	-	65,237	-
1980	Other non-current financial assets (Notes 6(m) and 8)	4,149,448	2	7,377,628	3
1990	Other non-current assets, others	380,591	-	349,904	-
		17,872,199	8	19,454,267	9

		D	ecember 51, 2	045	Detember 51, 2	022
	Liabilities and Equity	_	Amount	%	Amount	%
	Current liabilities:					
2100	Short-term borrowings(Note 6(n))	\$	98,684,698	44	110,334,869	49
2110	short-term transaction instrument payables (Note 6(o))		8,267,808	4	7,561,607	3
2130	Current contract liabilities (Notes 6(y) and 7)		14,448,169	6	13,899,665	6
2150	Notes payable		8,043	-	2,422	-
2170	Accounts payable (Note 7)		9,608,068	4	8,014,110	4
2200	Other payables (Note 7)		6,598,045	3	3,197,623	2
2230	Current tax liabilities		1,576,285	1	856,448	-
2250	Provisions—Current (Notes 6(s) and (u))		286,133	-	268,687	-
2280	Lease liabilities-current (Note 6(r))		125,962	-	110,476	-
2305	Other financial liability-current		88,921	-	87,941	-
2321	Current Portion of reverse bonds (Note 6(q))		7,870,725	4	2,489,554	1
2322	Current portion of long-term borrowings (Note 6(p))		2,846,057	1	96,454	-
2399	Other current liabilities, others	-	690,541	_	611,695	-
		-	151,099,455	67	147,531,551	65
	Non-Current liabilities:					
2530	Bonds payable (Note 6(q))		14,375,478	6	23,766,936	11
2540	Long-term borrowings (Note 6(p))		3,681,990	2	4,337,972	2
2570	Deferred tax liabilities (Note 6(v))		191,553	-	191,553	-
2580	Lease liabilities, non-current (Note 6(r))		171,421	-	262,078	-
2640	Net defined benefit liability, non-current	_	19,483		27,714	
		_	18,439,925	8	28,586,253	13
	Total liabilities	_	169,539,380	75	176,117,804	78
	Equity attributable to owners of parent:					
3100	Common stock (Note 6(w))		18,841,415	8	17,146,741	7
3200	Capital surplus (Note 6(w))		8,836,578	4	8,408,194	4
	Retained earnings (Note 6(w))					
3310	Legal reserve		8,773,652	4	8,363,751	4
3350	Unappropriated earnings		11,094,585	5	11,642,373	5
3400	Other equity (Note 6(w))		214	-	268	-
3500	Treasury stock (Note 6(w))	_	(971,876)		(977,220)	_
	Total equity attributable to owners of parent:		46,574,568	21	44,584,107	20
36XX	Non-controlling interests(Note 6(i))	_	10,760,793	4	4,464,646	2
	Total equity		57,335,361	25	49,048,753	22
	Total liabilities and equity	\$	226,874,741	100	225,166,557	100
	······································			<u> </u>		

December 31, 2023 December 31, 2022

Total assets

<u>\$ 226,874,741</u> <u>100</u> <u>225,166,557</u> <u>100</u>

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023	2023		
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(y) and 7)	\$ 44,067,193	100	26,627,233	100
5000	Operating cost (Note 6(f))	28,647,295	65	17,661,182	66
0000	Gross profit from operations	15,419,898	35	8,966,051	34
	Operating expenses:				
6100	Selling expenses (Note 6(m))	2,249,386	5	1,173,938	4
6200	Administrative expenses (Note 7)	1,458,380	3	2,155,135	8
		3,707,766	8	3,329,073	12
	Net operating income	11,712,132	27	5,636,978	22
	Non-operating income and expenses:				
7100	Total interest income (Note 6(aa))	178,089	-	46,050	-
7010	Other income (Notes $6(c) \cdot (aa)$ and 7)	159,272	-	211,149	1
7020	Other gains and losses, net (Note 6(aa))	(109,174)	-	(20,432)	-
7050	Finance costs, net (Note 6(aa))	(1,192,702)	(3)	(1,003,632)	(4)
7070	Share of profit (loss) of associates and joint ventures accounted for	4,907		3,165	
	using equity method, net(Note 6(g))	(050,(00))	(2)	(7(2,700))	(2)
	Total non-operating income and expenses	<u>(959,608)</u> 10,752,524	$\frac{(3)}{24}$	(763,700)	$\frac{(3)}{19}$
7950	Profit from continuing operations before tax	1,917,585		4,873,278	
/930	Less: Income tax expenses (Note 6(v)) Profit	8,834,939	$\frac{4}{20}$	<u>967,338</u> 3,905,940	$\frac{4}{15}$
8300	Other comprehensive income:	0,034,939	20	5,905,940	15
8310	Components of other comprehensive income that will not be				
0510	reclassified to profit or loss				
8311	Gains on remeasurements of defined benefit plans (Note 6(u))	5,767	-	1,758	-
8316	Unrealized gains from investments in equity instruments measured a		-	2,814	-
	fair value through other comprehensive income	•		_,	
8349	Less: Income tax related to components of other comprehensive income	- 2	-	-	-
	that will not be reclassified to profit or loss				
	•	5,767		4,572	
8360	Components of other comprehensive income that will be reclassifie	d			
	to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(54)	-	47	-
8399	Less: Income tax related to components of other comprehensive income				
	that will be reclassified to profit or loss	(= 1)		17	
	Components of other comprehensive income that will be	(54)		47	
0200	reclassified to profit or loss	5 712		4 (10	
8300	Other comprehensive income	5,713		4,619	- 15
	Total comprehensive income Profit, attributable to:	\$ <u>8,840,652</u>	20	3,910,559	15
8610	Profit, attributable to owners of parent company	\$ 2,437,372	5	3,740,998	14
8620	Profit, attributable to owners of parent company Profit, attributable to non-controlling interests	6,397,567	15	164,942	14
0020	Tront, autoutable to non-contronning interests	\$ 8,834,939	20	3,905,940	15
	Comprehensive income attributable to:	\$ <u>0,054,757</u>		5,703,740	15
8710	Comprehensive income, attributable to owners of parent company	\$ 2,443,085	5	3,745,617	14
8720	Comprehensive income, attributable to non-controlling interests	6,397,567	15	164,942	1
-	1 / 6	\$ 8,840,652	20	3,910,559	15
	Earnings per share (Note 6(x))			, - 1 7	
9750	Basic earnings per share	\$	1.33		2.08
9850	Diluted earnings per share	\$	1.33		2.05

See accompanying notes to consolidated financial statements.

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousand of New Taiwan Dollars)

					Equity attribu	table to owners of	fparent					
							tal other equity inter	est				
	Share											
	capital	-		Retained earnings	3		Unrealized gains					
							(losses) on					
						F 1	financial assets					
						Exchange differences on	measured at fair value through			Total equity		
						translation of	other			attributable to	Non-	
	Common	Capital	Legal	Unappropriated	Total retained			Total other		owners of	controlling	
	stock	surplus		retained earnings	earnings	statements	income	equity interest	Treasury stock	parent	interests	Total equity
Balance on January 1, 2022	\$13,927,531	3,609,808	7,552,326	16,069,240	23,621,566	221	538,526	538,747	(973,783)	40,723,869	4,991,532	45,715,401
Profit (loss)	-	-	-	3,740,998	3,740,998	-	-	-	-	3,740,998	164,942	3,905,940
Other comprehensive income	-	-		1,758	1,758	47	2,814	2,861		4,619	-	4,619
Total comprehensive income	-	-		3,742,756	3,742,756	47	2,814	2,861		3,745,617	164,942	3,910,559
Appropriation and distribution of retained earnings in 2021:												
Legal reserve appropriated	-	-	811,425	(811,425)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(6,171,566)	(6,171,566)) -	-	-	-	(6,171,566)	-	(6,171,566)
Stock dividends of ordinary share	1,542,891	-	-	(1,542,891)	(1,542,891)) -	-	-	-	-	-	-
Conversion of convertible bonds	1,676,319	4,674,723	-	-	-	-	-	-	-	6,351,042	-	6,351,042
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	117,460	-	-	-	-	-	-	-	117,460	-	117,460
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(185,081)	(185,081)) -	-	-	-	(185,081)	-	(185,081)
Changes in ownership interests in subsidiaries	-	817	-	-	-	-	-	-	(3,437)	(2,620)	-	(2,620)
Other changes in capital surplus	-	5,386	-	-	-	-	-	-	-	5,386	-	5,386
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(691,828)	(691,828)
Disposal of investments in equity instruments designated at fair value through other comprehensive		-		541,340	541,340		(541,340)	(541,340))	-	-	
income												
Balance on December 31, 2022	17,146,741	8,408,194	8,363,751	11,642,373	20,006,124	268	-	268	(977,220)	44,584,107	4,464,646	49,048,753
Profit (loss)	-	-	-	2,437,372	2,437,372	-	-	-	-	2,437,372	6,397,567	8,834,939
Other comprehensive income			-	5,767	5,767	(54)		(54		5,713	-	5,713
Total comprehensive income			-	2,443,139	2,443,139	(54)		(54)		2,443,085	6,397,567	8,840,652
Appropriation and distribution of retained earnings in 2022:												
Legal reserve appropriated	-	-	409,901	(409,901)		-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(847,337)			-	-	-	(847,337)	-	(847,337)
Stock dividends of ordinary share	1,694,674	-	-	(1,694,674)	(1,694,674)) -	-	-	-	-	-	-
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	10,070	-	-	-	-	-	-	-	10,070	-	10,070
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	419,416	-	(39,015)	(39,015)) -	-	-	-	380,401	-	380,401
Changes in ownership interests in subsidiaries	-	(1,102)	-	-	-	-	-	-	6,286	5,184	-	5,184
Acquisition of company's share by subsidiaries recognized at treasury share	-	-	-	-	-	-	-	-	(942)	(942)	(4,858)	(5,800)
Changes in non-controlling interests	-										(96,562)	(96,562)
Balance at December 31, 2023	\$ <u>18,841,415</u>	8,836,578	8,773,652	11,094,585	19,868,237	214		214	(971,876)	46,574,568	10,760,793	57,335,361

See accompanying notes to consolidated financial statements.

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousand of New Taiwan Dollars)

	 2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 10,752,524	4,873,278
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	233,985	172,750
Amortization expense	37,757	17,644
Expected credit (gain) loss	(1,337)	7
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(62,658)	7,617
Interest expense	1,192,702	1,003,633
Interest income	(178,089)	(46,050)
Dividend income	(9,961)	(26,882)
Share of profit of associates and joint ventures accounted for using equity method	(4,907)	(3,165)
Gain on disposal of property, plan and equipment	(727)	(23,659)
Gain on disposal of investment properties	(77,992)	(10,960)
Gain on lease modifications	(3)	(63,783)
Impairment loss on non-financial assets	-	59,907
Others	 	554,272
Total adjustments to reconcile profit (loss)	 1,128,770	1,641,331
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in contract assets	21,638	(5,439)
Decrease in notes receivable	216,257	111,967
Decrease (increase) in accounts receivable	1,063,397	(993,205)
Decrease (increase) in inventories	4,538,387	(13,040,975)
Decrease (increase) in prepayments	26,118	(626,319)
(Increase) decrease in other current and non-current assets	(157,431)	103,426
Increase in other financial assets	(1,580,479)	(2,871,310)
Increase in assets recognised as incremental costs to obtain contract with customers	 (267,547)	(827,758)
Total changes in operating assets	 3,860,340	(18,149,613)
Changes in operating liabilities:		
Increase in contract liabilities	548,504	3,543,208
Increase (decrease) in notes payable	5,621	(3,397)
Increase in accounts payable	1,593,958	748,486
Increase (decrease) in other payables	400,816	(612,743)
Increase in provisions	17,446	47,257
Increase (decrease) in other financial liabilities	980	(7,209)
Increase in other current liabilities	78,846	56,770
Decrease in net defined benefit liability	 (2,464)	(544)
Total changes in operating liabilities	 2,643,707	3,771,828
Total changes in operating assets and liabilities	 6,504,047	(14,377,785)
Total adjustments	 7,632,817	(12,736,454)
Cash inflow generated from operations	18,385,341	(7,863,176)
Income taxes paid	 (1,208,239)	(1,335,788)
Net cash flows from (used in) operating activities	 17,177,102	(9,198,964)

HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2023 and 2022

(Expressed in Thousand of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) investing activities:	 	
Acquisition of financial assets measured at amortized cost	(30,000)	-
Acquisition of property, plant and equipment	(1,457,971)	(1,455,472)
Proceeds from disposal of property, plant and equipment	2,188	51,555
Acquisition of intangible assets	(20,407)	(24,692)
Proceeds from disposal of investment properties	120,715	39,507
Increase in other non-current assets	(62,202)	(127,581)
Interest received	176,637	45,068
Dividends received	 9,961	26,882
Net cash flows from (used in) investing activities	 (1,261,079)	(1,444,733)
Cash flows from (used in) financing activities:		
Increase in short-term loans	22,080,330	39,948,739
Decrease in short-term loans	(33,732,658)	(21,317,360)
Increase (decrease) in short-term notes and bills payable	706,201	(619,782)
Proceeds from issuing bonds	1,450,000	4,000,000
Repayments of bonds	(2,500,000)	(2,013,540)
Proceeds from long-term debt	2,240,000	2,262,000
Repayments of long-term debt	(146,379)	(577,787)
Payment of lease liabilities	(114,307)	(113,787)
(Increase) decrease in other financial liabilities	(1,294,695)	995,799
Cash dividends paid	(1,057,848)	(6,703,621)
Payments to acquire treasury shares	(5,800)	-
Interest paid	(3,506,096)	(2,720,724)
Changes in non-controlling interests	 508,351	(231,239)
Net cash flows from (used in) financing activities	 (15,372,901)	12,908,698
Effect of exchange rate changes on cash and cash equivalents	(57)	44
Net increase (decrease) in cash and cash equivalents	543,065	2,265,045
Cash and cash equivalents at beginning of the year	 14,158,954	11,893,909
Cash and cash equivalents at end of the year	\$ 14,702,019	14,158,954

See accompanying notes to consolidated financial statements.

Proposals for Acceptance and Approvalproposed by the Board of Directors

Item II

Proposal: To approve the Company's distribution of earnings for 2023.

of the Explanation: (I) The beginning balance Company's undistributed earnings for 2023 amounted to NT\$8,690,460,671. Adding the net profit after tax for the current period of NT\$2,437,371,969, change of remeasurement value of the defined benefit plan for the current period of NT\$5,293,753, other comprehensive profits of subsidiaries, associates and joint ventures accounted for using the equity method of NT\$473,007, subtracting the difference between the actual proceeds or the disposal share price and the carrying value of the stakes in subsidiaries of NT39,015,012, the total distributable earnings amounted to NT\$11,094,584,388.

(II) Please refer to the Distribution of earnings.



Unit: NT\$

	Item	Amo	ount
	Item	Subtotal	Total
Beginn	ing balance of undistributed earnings		8,690,460,671
Add:	Current net profit after tax	2,437,371,969	
	Change of remeasurement value of		
	the defined benefit plan for the		
	current period	5,293,753	
	Share of other comprehensive		
	income of subsidiaries, associates	473,007	
Minus	Balance of actual acquired or		
	disposal equity price of the	(39,015,012)	
Distrib	utable earnings		11,094,584,388
Minus:	10% legal reserve	(240,412,372)	
Minus:	Assign items		
	Dividend to shareholders - cash	(932,070,796)	
	Bonus to shareholders - stock (1	(1,864,141,600)	
End ba	lance of undistributed earnings		8,057,959,620

Note: The cash dividend distribution is resolved by the board of directors of the Company and is a matter to be reported at the shareholders' meeting.



Discussion Items

proposed by the Board of Directors

Item I

Proposal: To resolve the 2023 Capital Increase from Retained Earnings and Issuance of New Stocks.

- Explanation: (I) In order to increase working capital, the Company proposed to issue additional 186,414,160 shares with a par value of NT\$10 per share by transferring the shareholders' bonuses of NT\$1,864,141,600 from the 2023 distributable earnings.
 - (II) Distribution Criteria:
 - (1) The bonus to shareholders transferred as capital increase by issuance of new stock will be issued to shareholders based on the shareholding ratio recorded on the shareholders' register by the record date of capital increase (bonus shares) with 100 bonus shares per thousand shares.
 - (2) Issued shares in fractions of 1 shall be distributed in cash according to the face value. Shareholders can fit the stocks for ex-rights within 5 days as of the date on which transfer of shares is suspended by the stock agency of the Company; if fittings were not handled by the shareholders themselves, the chairman will contact specific person to purchase the remaining shares in fractions of 1 by its face value. For the shareholders engaging in the issuance of stocks by book-entry, the shares in fractions of 1 shall be served as the payout on the

expenses for handling the book-entries.

- (3) Regarding the new stock issued for capital increase, the rights and obligations are the same as the originally issued common stock.
- (4) Regarding the issuance of new stock for capital increase, after this proposal has been approved by shareholders' meeting and submitted for approval by competent agencies, authorization is given to the Board to establish relevant matters for the record date of capital increase (bonus shares).
- (5) In case of changes to laws and regulations or adjustments made by competent agencies or the buyback, cancellation, share exchange of corporate bonds, issuance of new stocks or other changing factors affecting the shares by the Company afterwards, resulting changes to current number of shares and pay-out ratio, full authorization shall be given to Board of Directors during shareholders' meeting to make adjustments on this matter.

Discussion Items

proposed by the Board of Directors

Item II

- Proposal: To resolve the amendment of partial articles of the Company's Articles of Incorporation.
- Explanation: Pursuant to Article 4 of the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", the minimum number of independent directors is one-third of the of the seats in the board; therefore, the Company proposes to amend certain articles of the Company's Articles of Incorporation. The comparison table of the amended articles is shown on the page 60 of this Handbook (Attachment II).

Discussion Items

proposed by the Board of Directors

Item III

- Proposal: Submission of the amendment of partial articles of the Rules of Procedures for Shareholders Meetings shall be proposed for resolution.
- Explanation: The Company has amended certain articles of the "Rules of Procedure of the Shareholders' Meeting" in accordance with Order Tai Zheng Chih Li Zi No. 1120004167 dated March 17, 2023. Please refer to pages 61~62(Attachment IV) of this Handbook for a comparison table of the amended articles.

Discussion Items

proposed by the Board of Directors

Item IV

- Proposal: To resolve the amendment of partial articles of "endorsement guarantee operation procedure".
- Explanation: In accordance with actual business demands, the Company has amended partial articles of Endorsement Guarantee Operation Procedure. Please refer to Page 63 of the Meeting Agenda for the Comparison Table of Amendments (Attachment IV).

Discussion Items

proposed by the Board of Directors

Item V

- Proposal: To resolve the amendments of partial articles of the Procedures of Acquisition or Disposal of Assets.
- Explanation: In accordance with actual business demands, the Company has amended partial articles of Procedure of Acquisition or Disposal of Assets. Please refer to Page 64 of the Meeting Agenda for the Comparison Table of Amendments (Attachment V).

Election Matters

Election Matters

proposed by the Board of Directors

Proposal: By-election of the Independent Directors of the Company shall be conducted.

- Explanation: (I) As the Company has one independent director seat vacant, in accordance with Article 16 of the Company's Articles of Incorporation, the Company proposed to by-elect one independent director, and the term of office of the new independent director will be from June 13, 2024 to June 12, 2026, when the term of office of the current director expires.
 - A candidate nomination system shall be adopted for (II) independent the election of directors. The shareholders shall elect from the list of candidates of independent academic directors. For the background, experiences other relevant and information of the candidates, please see the following:

Name of Candidates	Tsai-Feng Ho
Education	Executive Master of Public Policy, National Sun Yat-sen University Department of Electronic Engineering, Cheng Shiu University
Experience	Independent Director, King's Town Bank Co., Ltd. President, Dong Lien Securities Co., Ltd. Instructor, Cheng Shiu University
Current Job	Independent Director, Nanya Technology Corporation Director, Silicon Integrated Systems Corp. Special Assistant to the Chairman of the Board, Orient Semiconductor Electronics, Ltd. Director, TAIWAN IMPLANT TECHNOLOGY CO., LTD.
Shares held	0 shares

Independent Directors Candidates List

Election Results:

Extemporary Motions

Attachment 1

Issuance Status of Corporate Bonds

April 15, 2024

Тур	e of Corporate Bonds	The first secured ordinary corporate bonds for 2023 (CUSIP: B86411; Code name: P12 Highwealth1)	
	Issuance date	December 11, 2023	
	Per Share	NT\$1,000,000	
Place of	f issuance and transaction (Note)	Not applicable.	
	Issuing price	At face value	
	Total amount	NT\$ 1.45 billion in total	
	Interest rate	Coupon rate: fixed rate at 1.7% per annum	
	Duration	3-year period, maturity date: December 11, 2026	
	Assurance agency	Agricultural Bank of Taiwan	
	Trustee	Mega International Bank Co., Ltd.	
Un	derwriting institution	BankTaiwan Securities Co.,Ltd.	
Certified Lawyer		Chung-Chieh Yu, lawyer	
СРА		Han Yilien and Tim Tzang	
Repayment method		Bullet repayment at maturity date at the end of 3-year period.	
Outsta	anding principal amount	NT\$1,450,000,000	
Terms	s of redemption or early repayment	Not applicable.	
	Restrictions	None	
Credit rati	ing agency, assessment date and results	Not applicable.	
Other rights	Amount of conversion (exchange or subscription) to ordinary shares, oversea depositary receipts, or other securities	Not applicable.	
attached	Issuance and Conversion (Exchange or Subscription) Method	Please refer to the prospectus of the first secured ordinary corporate bonds for 2023.	
Potential impact of issuance, conversion, exchange, subscription, or issuing method and conditions on the dilution of equity and existing shareholders' rights		Please refer to the prospectus of the first secured ordinary corporate bonds for 2023.	
Custodian	of the target(s) of conversion	Not applicable.	

Issuance Status of Corporate Bonds

		April 15, 2024	
Type of Corporate Bonds		The first secured ordinary corporate bonds for 2024 (CUSIP: B86412; Code name: P13 Highwealth1)	
	Issuance date	January 11, 2024	
	Per Share	NT\$1,000,000	
Place of	f issuance and transaction (Note)	Not applicable.	
	Issuing price	At face value	
	Total amount	NT\$1.6 billion in total	
	Interest rate	Coupon rate: fixed rate at 1.80% per annum	
	Duration	3-year period, maturity date: January 11, 2027	
	Assurance agency	Taiwan Cooperative Bank Co., Ltd.	
	Trustee	Mega International Bank Co., Ltd.	
Un	derwriting institution	Taiwan Cooperative Securities Co., Ltd.	
	Certified Lawyer	Chung-Chieh Yu, lawyer	
СРА		Han Yilien and Tim Tzang	
Repayment method		The first principal repayment will be made 18 months after the issue date. Subsequent principal repayments will be made semi-annually in four equal installments in the amount of NT\$400 million each.	
Outsta	anding principal amount	NT\$1,600,000,000	
Term	s of redemption or early repayment	Not applicable.	
	Restrictions	None	
Credit rat	ing agency, assessment date and results	Not applicable.	
Other rights attached	Amount of conversion (exchange or subscription) to ordinary shares, oversea depositary receipts, or other securities	Not applicable.	
	Issuance and Conversion (Exchange or Subscription) Method	Please refer to the prospectus of the first secured ordinary corporate bonds for 2024.	
Potential impact of issuance, conversion, exchange, subscription, or issuing method and conditions on the dilution of equity and existing shareholders' rights		Please refer to the prospectus of the first secured ordinary corporate bonds for 2024.	
Custodian	of the target(s) of conversion	Not applicable.	

Attachment II

Comparison Table of Amendments to the Articles of Incorporation

Before Amendment	After Amendment	Reasons for Amendments
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.	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.	This Article is amended in accordance with Article 4 of the "Corporation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers".
Article 34: The Articles of Association were made on January 12, 1980. (omitted) The thirty-nine amendment was made on June 13, 2023.	Article 34: The Articles of Association were made on January 12, 1980. (omitted) The thirty-nine amendment was made on June 13, 2023. <u>The fortieth amendment was made</u> on June 13, 2024.	Addition of dates of revisions.

Attachment III

Comparison Table of Amendments to the Rules of Procedure for Shareholders Meetings

Before Amendment	After Amendment	Reasons for Amendments
Article 3: The shareholders' meeting of the Company shall be convened by the Board of Directors unless otherwise provided by laws and regulations. (omitted)	Article 3: The shareholders' meeting of the Company shall be convened by the Board of Directors unless otherwise provided by laws and regulations. <u>Unless otherwise provided in</u> <u>Regulations Governing the</u> <u>Administration of Shareholder</u> <u>Services of Public Companies, the</u> <u>Company convenes a shareholders'</u> <u>meeting with video conferencing shall</u> <u>expressly provide for such meetings</u> <u>in its Articles of Incorporation and</u> <u>obtain a resolution of its board of</u> <u>directors. Furthermore, convening of</u> <u>a virtual-only shareholders' meeting</u> <u>shall require a resolution adopted by a</u> <u>majority vote at a meeting of the</u> <u>board of directors attended by at least</u> <u>two-thirds of the total number of</u> <u>directors.</u>	Amended in accordance with the laws and regulations.
 Article 6-1: The Company convenes a virtual shareholders meetings, the following particulars shall be included in the shareholders meeting notice: (omitted) 3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. 	 particulars shall be included in the shareholders meeting notice: (omitted) 3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with 	Amended in accordance with the laws and regulations.

Before Amendment	After Amendment	Reasons for Amendments
	provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.	
Article 21 (omitted) During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors. (omitted) Article 22: When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative	Article 21 (omitted) During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors. (omitted) Article 22: When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative	lieu of the supervisors. Amended in accordance with the laws
measures available to shareholders with difficulties in attending a virtual shareholders meeting online.	measures available to shareholders with difficulties in attending a virtual shareholders meeting online. Except_ in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.	and regulations.
Article 25: The Rules were promulgated on May 20, 1996. The first amendment was made on May 8, 1998. (omitted) The ninth amendment was made on June 14, 2022.	Article 25: The Rules were promulgated on May 20, 1996. The first amendment was made on May 8, 1998. (omitted) The ninth amendment was made on June 14, 2022. The tenth amendment was made on June 13, 2024.	Addition of dates of revisions.

Attachment IV

Comparison Table of Amendments to the Endorsement Guarantee Operation Procedure

Before Amendment	After Amendment	Reasons for Amendment s
The Company <u>and its subsidiaries</u> shall implement the endorsement and	Article 2 The Company shall implement the endorsement and guarantee matters in accordance with the rules set out in these Procedures.	meet the
These procedures was established on May 20, 1996. The first amendment was made on May 1, 1997. (omitted) The eleventh amendment was made on	Article 12 These procedures was established on May 20, 1996. The first amendment was made on May 1, 1997. (omitted) The eleventh amendment was made on June 10, 2019. The twelfth amendment was made on June 13, 2024.	revisions.

Attachment V

Comparison Table for the Amendments to Procedures of Acquisition or Disposal of Assets

Before Amendment	After Amendment	Reasons for Amendment s
Procedures for Acquisition or Disposal of Real Property and Equipment	assets, the single item amount of which exceeds NT\$300 million shall be reported to and approved by the Board of Directors, <u>or the Board of</u> <u>Directors may first approve to</u> <u>authorize the Chairman of the Board</u>	
established on May 20, 1996. (omitted)	Article 16 These disposition procedures was established on May 20, 1996. (omitted) The ninth amendment was made on June 14, 2022. The tenth amendment was made on June 13, 2024.	revisions.

Appendixes 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, and the English name shall be Highwealth Construction Corp.
- Article 2: The Company engages in the following businesses:
 - 1. D401010 Thermal Energy Supply.
 - 2. D501010 Thermal Energy Supply.
 - 3. E801010 Indoor Decoration.
 - 4. F106010 Wholesale of Hardware.
 - 5. F111090 Wholesale of Building Materials.
 - 6. F199990 Other Wholesale Trade.
 - 7. F211010 Other Wholesale Trade.
 - 8. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures.
 - 9. F301020 Supermarkets.
 - 10. F301010 Department Stores.
 - 11. F401010 International Trade.
 - 12. F501060 Restaurants.
 - 13. G202010 Parking area Operators.
 - 14. H201010 Investment.
 - 15. H701010 Housing and building development, lease, sale business.
 - 16. H701020 Industrial Factory Development and Rental.
 - 17. H701040 Specific Area Development.
 - 18. H701050 Investment, Development and Construction in Public Construction.
 - 19. H701060 New Towns, New Community Development.
 - 20. H701070 Process Zone Expropriation and Urban Land Readjustment Agency.
 - 21. H701080 Urban Renewal Reconstruction.
 - 22. H701090 Urban Renewal Renovation or Maintenance.
 - 23. H702010 Construction Manager.
 - 24. H703090 Real Estate Business.
 - 25. H703100 Real Estate Leasing.
 - 26. H703110 Senior Citizen Residence.
 - 27. I103060 Management Consulting.

- 28. I301010 Information Software Services.
- 29. I503010 Landscape and Interior Designing.
- 30. I199990 Other Consulting Service.
- 31. J701040 Recreational Activities Venue.
- 32. J799990 Other Recreational Services.
- 33. J901020 Regular Hotel.
- 34. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- 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 Article 28 of Company Act.

Chapter II Shareholdings

Article 5: The capital of the Company is NTD 30 billion, divided into three 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 5-1: 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.

The above conditions and acquisition methods shall be submitted to the Board of Directors for decision.

- Article 6: Shares of the Company shall be registered, signed or sealed by directors on behalf of the Company, 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.
- 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 11-2: The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. When the Company's meeting held by means of visual

communication network, the Company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance.

- Article 12: When a shareholders' meeting is held, the chairperson of the Board of Directors shall be the chairperson. If the chairperson 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 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 chairperson, 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 chairperson, 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 chairperson 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 vicechairperson 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 chairperson of the Board of Directors shall convene and serve as the chairperson. The chairperson shall represent the Company. If the chairperson of the Board of Directors requests leave of absence or is unable to exercise his/her functions and powers for any reason, the vice chairperson of the Board of Directors shall act as the chairperson of the Board of Directors. If the vice chairperson is absent or is unable to exercise his/her functions and powers for any reason, the chairperson 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 chairperson 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 chairperson 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. The Board of Directors shall determine the remuneration to the independent

directors to be fixed remuneration in accordance with the principles set forth in the preceding paragraph, the independent directors shall not participate in the remuneration distribution to the directors and other bonuses.

Chapter V Managers and Staff

- Article 25: The Company shall appoint general manager and 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 annual shareholders' meeting for acceptance and approval according to the law: (I) Business report. (II) Financial statements. (III) 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. The allotment objects of remuneration shall include employees of subsidiaries who meet certain conditions, which shall be authorized to the Board of Directors for decision.

The Company shall grasp the changing characteristics of the operating economic environment in order to achieve sustainable operation and longterm 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 and considering the capital budget planning.

Article 29-1 The Company's earnings concluded in a year are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for the legal reserve. However, no further provision for the legal reserve is required if the Company has accumulated legal reserve of an amount equal to paid-in capital. In addition, the legal reserve shall be allocated or reversed in accordance with laws and regulations or regulations stipulated by the competent authority. The remaining balance and the beginning balance of the undistributed earnings constitute the accumulated distributable earnings. Of the aforementioned accumulated distributable earnings, not less than 20% shall be allocated as shareholders' bonus. 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.

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 meeting and conduct after approval of a majority of the directors attending the meeting, which shall be reported to the shareholders' meeting.

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 twenty-eighth amendment was made on June 15, 2007. The twenty-ninth amendment was made on June 13, 2008. 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. The thirty-sixth amendment will be made on June 10, 2019. The thirty-seventh amendment will be made on June 10, 2020. The thirty-eighth amendment was made on June 14, 2022. The thirty-nine amendment was made on June 13, 2023.

Appendixes II

Highwealth Construction Corporation Rules of Procedures 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.

Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

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 Market Observation Post System 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 Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, 15 days prior to the shareholders meeting date, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated.

The Company shall make the meeting agenda and supplemental meeting

materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

- 1. For physical shareholders meetings, to be distributed on-site at the meeting.
- 2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- 3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

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.

The essential content of the appointment or dismissal of directors, amendments to articles, reduction of capital, application for the approval of ceasing its status as a public company, approval of lifting of the non-competition restrictions on directors, capital increase by retained earnings, capital increase by capital reserve, dissolution, merger or division of the Company, or matters listed in Article 185, Paragraph 1 of the Company Act, matters listed in Article 26-1 and Article 43-6 of the Securities Exchange Act, and matters listed in Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuer shall be explained in the shareholders' meeting notice and shall not be proposed as extemporary motions.

If re-election of the Board and the date of appointment thereof are both stated clearly on the reasons for convening a shareholders' meeting, then the date of appointment shall not be changed by extemporary motion or other means during the same meeting after the re-election of the Board is completed.

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. 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. If the shareholder's proposal concerns a recommendation advocating for the Company to promote public interest or fulfill social responsibilities, in accordance with Article 172-1 of the Company Act, such proposals are allowed but limited to one item only, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, the method of acceptance for written or electronic proposals, and the location and time period for their submission; the period for accepting the submission of shareholder proposals may 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.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 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.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 6: The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attending the shareholders meeting in person. 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 furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it shall designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and

keep this information disclosed until the end of the meeting.

Article 6-1: The Company convenes a virtual shareholders meetings, the following particulars shall be included in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.

- II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume
 - (II) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - (III) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
 - (IV) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
- III. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.
- Article 7: If the shareholders' meeting is convened by the Board of Directors, the chairperson shall act as the chairperson. If the chairperson of the Board of Directors asks for leave of absence or is unable to exercise his/her functions and powers for any reason, the chairperson shall appoint a director to act as his/her deputy. Where the chairperson 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

chairperson 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 chairperson of the shareholders' meeting. If there are more than two conveners, they shall elect one convener to act the chairperson. 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 make an uninterrupted audio and video recording for the whole proceedings of the shareholders meeting, and said video tape or audio tape shall be kept 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.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9: Attendance at a shareholders' meeting shall be calculated on the basis of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairperson shall call the meeting to order at the scheduled meeting time. Also, the information of the shares with voting rights and without rights should be announced at the same time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, are made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

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. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

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 chairperson 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. Each proposal (including extemporary motions and amendments to the original agenda) shall be resolved one by one. 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 chairperson shall not adjourn the meeting until the adjournment of the proceedings (including extemporary motions) referred to in the preceding two paragraphs has been decided. If the chairperson 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 chairperson by a majority vote of the shareholders present at the meeting to continue the meeting.

> The chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extemporary motions put forward by the shareholders; when the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, call for a vote and arrange for sufficient time for the voting.

Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.

> 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 chairperson and the speakers. Violators shall be stopped by the chairperson.

> Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12: Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may suspend the speech.

> 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 shareholder gives a speech, the chairperson shall reply in person or by designating relevant persons.

Article 13: Voting at shareholders' meetings shall be calculated based on numbers 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: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 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 extemporary 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 extemporary 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.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. 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 chairperson 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 submitted to the Public Information Observatory.

If there are amendments or substitutions to the same motion, the chairperson 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 negative and no further vote shall be required.

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

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting begin, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 15: The election of directors at a shareholders' meeting shall be held in

accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes they received and the names of those not elected as directors and the numbers of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper 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 a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

> If the meeting venue is no longer available for continued use and not all of the items (including extemporary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

> A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 17: The resolutions of the shareholders' meeting shall be signed or sealed by the chairperson, 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 Market Observation Post System.

The meeting minutes shall accurately record the year, month, day, and venue of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the voting outcome). If an election of directors is held, the minutes shall disclose the votes received by each candidate. The minutes shall be retained for the duration of the existence of the Company.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and

actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article 18: On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the 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 submit the contents to the Market Observation Post System within the prescribed time limit.

- Article 19: In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.
- Article 20: When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.
- Article 21: In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide

relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting begin, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

- Article 22: When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.
- Article 23: Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

The chairperson shall direct the proctors (or security personnel) to assist in maintaining order at the meeting. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor". If the meeting venue is equipped with amplification equipment, the chairperson shall stop others from speaking with equipment of the Company than shareholders. When a shareholder violates the Rules and Procedures and defies the chairperson's instruction, obstructing the proceedings and refusing to heed calls to stop, the

chairperson may direct the proctors (or security personnel) to escort the shareholder from the meeting.

- Article 24: 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 Incorporation and other relevant laws and regulations.
- Article 25: 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. The seventh amendment was made on June 10, 2020. The eighth amendment was made on August 13, 2021. The ninth amendment was made on June 14, 2022.

Appendixes III

Highwealth Construction Corporation.

Regulations for Election of Directors

- Article 1: The Regulations were stipulated in accordance with the provisions in the Company Act and Articles of Incorporation. Elections of directors shall be conducted in accordance with these Regulations.
- Article 2: The election of directors of the Company during the shareholders' meeting shall be conducted in accordance with the candidates' nomination system stipulated in Article 192-1 of the Company Act.
- Article 3: The election of directors of the Company adopted single-name cumulative voting method. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 4: For the election of the directors of this Corporation, each share will have voting rights in number equal to the directors to be elected. The board of directors shall prepare ballots for directors in numbers corresponding to the directors to be elected, which shall then be distributed to the attending shareholders at the shareholders meeting. The ballots may be cast for a single candidate or split among multiple candidates.
- Article 5: For the election of director of this Corporation, shareholders shall elect from the list of candidates for directors. The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

The number of voting rights in the preceding paragraph shall be calculated by the number of voting rights casted on the site of the shareholders' meeting plus the number of voting rights form electronic voting.

- Article 6: When the board of directors are preparing the ballots, the number of voting rights associated with each ballot shall be specified on the ballots in accordance with shareholder account number or attendance card number.
- Article 7: When the election starts, the chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel. However, the persons performing the duties of vote monitoring personnel shall have shareholder status.
- Article 8: The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 9: Voters shall indicate the name or account name in the candidate column on the election ballot. However, when the candidate is a governmental

organization or corporate shareholder, the name of the governmental organization or corporate shareholder shall be indicated in the column for the candidate's account name on the ballot paper, or both the name of the governmental organization or corporate shareholder and the name of its representative may be indicated. When there are multiple representatives, the names of each respective representative shall be indicated.

- Article 10:A ballot is invalid under any of the following circumstances:
 - 1. The ballot is not prepared by the convener.
 - 2. A blank ballot is placed in the ballot box.
 - 3. The writing is unclear and indecipherable or has been altered.
 - 4. The particulars of the candidate indicated on the ballot do not correspond to the director candidate list.
 - 5. Other words or marks are written in addition to the candidate's name or account name.
 - 6. Two or more candidates are indicated on the same ballot.
- Article 11:For the election of directors, persons performing the duties of vote monitoring shall open the ballot boxes after voting.
- Article 12: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

- Article 12-1: If a person is uncompelled with Article 26-3, Paragraph 3, Subparagraph 4 of Securities and Exchange Act, then his or her election as a director shall become invalid.
- Article 13: The board of directors of this Corporation shall issue notifications to the persons elected as directors.
- Article 14: These Regulations, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.

The Rules were promulgated on May 20, 1996.

The first amendment was made on June 20, 2002.

The second amendment was made on June 13, 2008.

The third amendment was made on June 13, 2007.

The fourth amendment was made on August 13, 2021.

Appendix IV

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 as of April 15, 2024:

- 1. The paid-in capital of the Company as of April 15, 2024 was NT\$18,841,415,910 (1,884,141,591shares).
- 2. Minimum legal number of shares to be held by all directors: 45,219,398shares. (Note)
- 3. Shares held by all directors:

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1 1	pin	10,	2021

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Job Title	Name	Date elected	Term of office	Shares held during election		List of Shareholders Stopping Transfer Recorded shareholding	
				Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Chairperson Director	Run Ying Investment Co., Ltd Representativ e: Cao Yuanbo Representativ e: Fan Huajun	June 10, 2020	Three years	30,996,304	1.81%	34,095,934	1.81%
Director	Zheng Qintian	June 10, 2020	Three years	32,249,659	1.88%	35,486,969	1.88%
Director	Zheng Xiuhui	June 10, 2020	Three years	9,864,788	0.58%	10,851,266	0.58%
Independent director	Li Wencheng	June 10, 2020	Three years	0	0%	0	0%
Independent director	Chen Tachun	June 10, 2020	Three years	24,203	0%	26,623	0%
		80,460,792	4.27%				

Note:In accordance with Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", if two or more independent directors are elected, the total shareholding percentage of all directors excluding independent directors shall be reduced to 80%.