

Stock Code : 2542



Highwealth Construction Corporation

2021 Annual Shareholders' Meeting
Meeting Handbook

Time of shareholders' meeting: June 10, 2021

Place of shareholders' meeting: No.8 Zhifu Rd, Jhongshan

District, Taipei City (Serendipity Lounge, Dazhi Denwell Hotel)

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Highwealth Construction Corporation
Procedures of the 2021 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. Extemporaneous Motions
- VII. Adjournment

Highwealth Construction Corporation

Agenda of the 2021 Annual Shareholders' Meeting

Time: June 10, 2021 (Thursday) at 9:00 a.m.

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

One. Call Meeting to Order

Two. Chairperson's Address

Three. Report Items

- I. The Company's Business Report for 2020.
- II. Audit Committee's Review Report of the Company's Audited Financial Statements for 2020.
- III. Report on the Compensation Distribution for Employees and Directors for 2020.
- IV. Report on the Distribution of Cash Dividends from the Company's Retained Earnings for 2020.
- V. Report on the Provision of Endorsements and Guarantees for 2020.
- VI. Report on Offering and Issuance Status of Corporate Bonds.

Four. Proposals for Acceptance and Approval

- I. Business Report and Financial Statements for 2020.
- II. Distribution of Earnings of the Company for 2020.

Five. Discussion Items

- I. Amendments to partial articles of the "Rules of Procedures for Shareholders' Meetings".
- II. Amendments to partial articles of the "Regulations for Election of Directors".

Six. Extemporaneous Motions

Seven. Adjournment

Report Items

Report Item I

Proposal: The Company's Business Report for 2020.

Explanation: The Company's Business Report for 2020 and Business Prospect for 2021.

Please refer to the Business Report

Highwealth Construction Corporation Business Report



Hello, ladies and gentlemen:

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

In 2020, the US-China conflict, the slowdown of the Chinese economy and the COVID-19 pandemic have heightened risk diversification awareness. *Business Week* covered a story about 250 thousand talents having relocated back to Taiwan. With the return of talents and capital, the housing market of Taiwan is expected to embrace a “golden period of five to ten year” once the pandemic is over. Although the authorities have for the past two years expressed the intention to suppress the housing market, the construction industry is restricted by a shortage of land supply, pay rise and other factors. Costs are not lowered, but have since increased. Furthermore, a low interest rate market environment fuels a “buying over renting” mentality, which in turn fuels a substantial rigid demand, thus indirectly propels the economic development of the overall industry. We are committed to center the focus of the group’s investment in Taiwan for the coming five to ten years. We sincerely hope that every person can own a house.

The population between 20 to 34 years old amounts to 4.7 million people, of which the population between 20 to 24 years old joining the workforce is as high as 1.18 million people. For a family of two, in the next three to four years, there could be 600 thousand families who become first-time home owners. For the coming year, Highwealth will hand over three to four thousand units, fostering a safe and conducive residential environment for Taiwanese. Encouraging young people to own homes so that they become a stabilizing force of the society and giving young people the positive idea of starting new families are the missions of Highwealth and where the potential opportunities of the housing market lie.

Under the market conditions in 2020, the consolidated revenue of Highwealth and the subsidiaries amounted to NT\$24.5 billion, maintaining its leading position in the industry and proving that the philosophy of stability, self-discipline and professionalism that Highwealth Construction has held since its establishment allowed it to flexibly adjust its business strategy to meet the market demand and maintain a consistent number of new rollout houses in a fast-changing environment filled with many uncertainties. Through multiple marketing channels and flexible housing purchasing schemes, Highwealth has gained much recognition in the market, and overall performance remains steady and

remarkable.

The capital stock of Highwealth has reached NT\$12.9 billion. The corporate management of the Company is undergoing a transformation, crossing from its original simple role as a construction company to the development of land property. The focus of the business has also shifted to earning long-term and steady revenue streams. The Company shall also place its business focus on long-term and stable income. According to the current plans, in addition to the original housing cases, we also operate commercial real estate, such as commercial office building, hotels and even engage in community department stores. Recently, the Company obtained lands in the city center, which are expected for office buildings and luxurious hotels.

For 2021, we will continue to actively promote land-purchasing cases in the north, central and south; if approvals are obtained successfully, new high profile cases would include Ankang Section in Neihu, Qingsheng Section in Zhongli and Shanjie Section in Taoyuan in the north; high end office buildings in Huimin Section in Xitun District, Taichung City; Xindu Section in Sanmin District, Fushan Section in Zuoying District, “Boxiao Memories” in Boxiao Section in Qianjin District, and Qinghai Section in Gushan District (by the subsidiary Chyi Yuh Construction) in Kaohsiung City. Meanwhile, the Company continues to pay attention to all kinds of changes to national economy, business environment changes related to livelihood wealth. This year, the number of promoted cases is expected to maintain steady growth, of course, we will also work harder to return the support and affirmation of shareholders.

Next, I would like to report to the shareholders Highwealth’s consolidated revenue for 2020 of NT\$24.5 billion, in which the contributing construction cases include Xinzhuang JieShiBao, Shuanghu Hui, Taipei CBD Times Square, Yuanshan No. 1 Courtyard, Taipei No.1 Courtyard, Haiyang Duxin Condominium, Chungyan A+ Condominium, Highwealth Manor, Tamei and Tahe Condominiums at Jiangcui District, Water Park Case in Zhubei City and disposal of Nangang Sanhsiao Land, etc. The construction cases in Taichung contributing to the revenue comprise Baida Fuyi Condominium, Hengyung Condominium, Legend of Orion, Castle of Orion, Boshi Condominium, Love of Orion, Taichung Country No.1 Courtyard, etc. In the south, the contributing construction cases include Huaren Hui Condominium, Yueh Cheng Condominium, Bo Yue Condominium, Da Yue Condominium, and King’s No.1 Courtyard, coupled with the revenue contributions from projects of the subsidiaries Chyi Yuh Construction and Boyuan Construction’s projects, namely Taipei Chungshan Kaiyan Condominium

and Hanlin Town, Runlong Construction's projects, namely Jingxin Wenhui, Taichung NTC State Commercial and Trade Center, Taichung Di Bao Condominium, Kuo Pin Condominium, Runlong Condominium, Yueh Cheng Condominium. These numbers have created an after-tax profit of NT\$2.11 per share for 2020!

Highwealth is committed to change and innovation. Apart from the contributions made by the steady sales of existing houses, including sales made by subsidiaries, new projects are launched consistently to cater to the market demand in northern, central, and southern Taiwan. For the northern and central areas, major projects worth over NT\$10 billion will enter the market. In the next four years, new houses completed are expected to exceed NT\$200 billion. We continue to maintain the leading position in the industry in terms of construction and land holding. We are hopeful that our projects will be well received in the respective areas.

We are well versed in asset management. Facing competition posed by our counterparts, we focus on our foundation in the core construction industry and plan for making exponential growth in the future. The Company has many projects all over Taiwan. In response to a severe labor shortage, we have made early preparations. In addition to the Building Information Modeling (BIM), which has already been in use for 10 years, and precast construction, the R&D on aluminum modules will be incorporated in the future to enhance efficiency and the quality of environmental protection. Although the costs will rise, the use of new technologies can be demonstrated and implemented at our sites in the northern, central and southern areas. The new technologies shall be helpful in increasing the engineering quality and the overall construction technology.

The housing market has become the main driving force of our economic growth. As the leading construction brand of the country, Highwealth is committed to our philosophy of "integrity" and "sustainable development", while closely monitoring the housing demand and change in the economic environment. We insist on product improvement, high quality service, safety, active development and the financial health of the Company, creating the optimal profit and value for our customers, shareholders, employees and Taiwanese society.

We shall always remember our founding visions and strive to invest in building Taiwan, providing ample job opportunities. From a work force of 165 people when we were first listed in 2000, the number of employees of the Group has grown consistently to 1,500 people, an almost nine-fold increase in job opportunities! In the future, with the growth of the Group, we expect more partners to join our firm and

work toward developing the Taiwanese economy! Let us look forward to a better future together!

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

I. Operating Condition in 2020

(I) Operating results

The Company's net consolidated revenue for 2020 was NT\$24,463,018 thousand, representing an increase of NT\$664,817 thousand as compared to NT\$23,798,201 thousand for 2019.

The Company's net consolidated profit before tax for 2020 was NT\$3,316,157 thousand, representing a decrease of NT\$635,615 thousand as compared to NT\$3,951,772 thousand for 2019.

The fluctuations are mainly due to the previous transformation in the real estate market that turned to rigid demands for owner-occupied, small square-footage and low-price products, leading to a decrease in the total amount of the closed cases for the current period. As a result, the new operating profits have decreased compared to the previous period.

(II) Budget implementation status

In accordance with the public standards for information processing of the Company's public financial forecasting, it was not necessary for the Company to prepare financial forecasting for 2020.

(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	2020	2019
Net operating income	4,136,357	3,505,992
Non-operating income and expenses	(820,200)	445,780
Pre-tax net profit	3,316,157	3,951,772
Profit (loss)	2,823,254	3,489,017
Total comprehensive income	2,825,867	3,511,020

(IV) Profitability capacity analysis

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

Item	2020	2019
Return on Assets (%)	2.15	3.02
Return on Equity (%)	8.04	9.36
Pre-tax net profit to paid-in capital ratio (%)	25.70	33.87
Net Profit Ratio (%)	11.54	14.66
Earnings per share(NT\$)	2.11	2.66

(V) 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: master the real estate market information, collect the land and housing market data of various districts, conduct regular discussions and analysis, provide the basis for product positioning and marketing strategy, and take creating high sales rate as the purpose.

II. Outlook for 2021

Highwealth Group will continue to purchase land in important districts in Keelung, Taipei, New Taipei, Taoyuan, Taichung, Tainan, and Kaohsiung in 2021, and venture into restaurants, shopping malls, hotels, and other new businesses. We will continue to strive to achieve new record through diversification operating method.

The objectives for the coming years are declared as follows:

(I) Operating Policy

1. In terms of expansion: Expand product development in a professional manner, diversify operating risks, ensure project quality and progress, and vertically integrate upstream, midstream and downstream suppliers, such as suppliers of water, electricity and building materials, interior decorators, and real estate agencies. With a range of diversified operating strategies, the Company seeks to reduce operating costs, improve product competitiveness, optimize efficiency and continue development from base locations, to create service momentum and expand the scale of the Company.
2. In terms of development: Acquire land using a range of diversified methods and develop comprehensively. Apart from training professionals and establishing project teams, the Company strengthens inter-industry strategic alliances and establishes national land information systems. Combined with the development and management philosophy, the Company strengthens the value of the organization, to facilitate land acquisition and project development, as well as actively developing cases for urban renewal plans.
3. In terms of planning: collect the characteristics of the design and planning of real estate buildings in various countries extensively, attach importance to the fire prevention labels, green buildings, building materials labels, intelligent building labels and

earthquake-resistant building labels in public areas, and add the concepts of energy conservation, water conservation, ecology and environmental protection to encourage the improvement of building quality. Depending on the market demand differences and regional differences, plan and design exquisite and humanized high-quality products, and provide perfect after-sales service to establish a good brand image and reputation of the Company, so as to further enhance customer trust in the Company.

4. In terms of management system: In order to cope with the increasing business scale, apart from strengthening the internal control system, budget management and corporate governance, the Company has also enforced job accountability, digitized various processes to increase work efficiency, and strengthened the coordination of horizontal and vertical communication. This allows the Company to continue raising work and management efficiency as the Company performance grows.
5. In terms of finances: Strengthen financial operating capabilities, maintain an appropriate equity ratio in response to fluctuations of market interest rates, and raise long and short-term funding requirements through capital and money markets, so as to enhance the competitiveness of the Company.
6. In terms of resources: Continue to strengthen employee training, enhance the management capabilities of supervisors, provide training to cater to human resources requirements for future development, increase the competitiveness of the Company so as to provide high quality service and ensure the core values of the Company are entrusted to future generations.

(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 strategies pertinent to the characteristics of the products, supervise the meeting of the targets of each

sales scheme and closely monitor market trends to allow flexible adjusting, in order to facilitate project development and maximize profitability.

- (3) In respond to lack of labors in the current status, the Company will continue to develop BIM Architectural Information Center, precast method, aluminum mold, enhance engineering techniques, quality, efficiency and environmental friendly and promote renovation to construction technology in Taiwan comprehensively.
- (4) 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 conception of zero-residue house.
- (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 “customer-oriented” 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. Intensive concentration on the industry: For the Company’s existing projects, effectively integrate the resources of all parties, enhance the brand value of the Company, strengthen the development strategy for diversifying construction materials, and implement policies for providing high quality products, cost reduction and fast-paced project development, to thereby steadily expand the Company.
2. Sustainable development: Seek domestic and overseas niche market projects in the future; apart from optimizing engineering technologies and construction quality, make

use of the existing management team and know-how to continue to maximize the brand value of the Company.

3. Development of a second core industry: Make use of existing commercial real estate of construction cases to develop a fixed-income business entity, plan for comprehensive development opportunities, and create a domain for diversified blue ocean operations to pursue a stable dividend policy

(IV) Impacts posed by external competition, the regulatory environment and the overall business environment

1. External competition: According to the latest statistics of the Ministry of the Interior, a total of 326 thousand houses were transacted in Taiwan in 2020, which translated to a yearly growth of 8.76%, the highest in seven years, compared to 300 thousand houses or a yearly growth of 8.6% in 2019. Since the transaction volume bottomed in 2016, it has been rising for the past four years. In particular, in December 2020, a total of 35 thousand houses were transacted, which was the highest in 60 months, proving the housing market continued to recover in 2020. Currently, most of the industry counterparts cater mainly to the rigid demand of owner-occupied houses with small square footage and low prices. Meanwhile, commercial buildings will become the focus of attention in the future market. The Company has to strengthen its brand, innovate its products, and simultaneously add value and undertake flexible precision marketing, so as to continue to be the market leader and win the largest market share.
2. Regulatory environment: the regulatory environment widely includes Construction Regulations, taxes and government policies, such as integration system for dividend taxation, house tax, land increment tax, financial and fiscal policy, transportation and housing policy, land policy, urban renewal plan, green building promotion and improvement of the transparency of transaction information, proposal of third-party certificate responsibility, and many other regulation changes. The Company will focus more on the study of regulations to ensure the rights and interests of all shareholders.
3. Overall business environment: Starting from the first quarter of 2020, the global economic development was impacted by the COVID-19 pandemic. However,

fundamentally, Taiwan is a relatively safe and free environment, thus attracting foreign investments which have stimulated the local economy, job market and income level. Compounded by the relocation of 250 thousand Taiwanese talents back to Taiwan, the increase of first-time home owners (the population under 34 years old amounted to 4.7 million people), increase in construction costs (labor and material costs) and the zero interest rate environment globally, these factors prove that the property development sector has much growth momentum in the future. In conclusion, the Company is optimistic about the future of the housing market as this year will be a good opportunity for home buyers to purchase houses to live or invest in, and the profits of commercial office investments are especially stable and worth seizing.

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

Chairperson: Zheng Zhilong



Manager: Fan Huajun



Accountant Officer: Li Xiutai



Report Item II

Proposal: Audit Committee's Review Report of the Company's Audited Financial Statements for 2020, please review.

Explanation: (I) The financial statements of the Company and its consolidated subsidiaries in 2020 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 2020 financial statements of the Company and its consolidated subsidiaries, which were audited by the accountants of KPMG Certified Public Accountant Office, Han I-Lien and Chien Tinuan. The Audit Committee has reviewed the business report and earnings appropriation proposal, and finds no material misstatement. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the Committee hereby submits the review report.

To
2021 Annual Shareholder's Meeting of Highwealth Construction Corporation

Audit Committee Convener: Hong Xiyao

March 19, 2021



Report Item III

Proposal: Report on the Compensation Distribution for Employees and Directors for 2020.

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\$36,000,000 as employee compensation and NT\$7,500,000 as director remuneration for 2020, all of which were disbursed 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 2020.

(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 2020, please review.

Explanation: (I) In accordance with the Articles of Incorporation, Article 29-1, 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 2020, 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\$2,581,927,234 of the earnings was appropriated as cash dividend of NT\$2 per share (i.e., NT\$2,000 for every thousand shares) for 2020.

(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 2020, please review.

Explanation: The maximum endorsement and guarantee provided by the Company amounts to NT\$64,243,848 thousand. As of December 31, 2020, the balance of endorsements and guarantees amounted to NT\$8,711,917 thousand. The recipients of the endorsements and guarantees are as follows:

Unit: NT\$ thousand

Endorser/ Guarantor	Endorsee/Guarantee		Limit on endorsement/ guarantee amount provided to single enterprise	The maximum balance of endorsements and guarantees 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	Endorsement and guarantee provided by subsidiary to parent company	Endorsement and guarantee provided to mainland China
	Company name	Relationship										
The Company	Chiyuh Construction	Subsidiary of the Company	32,121,924	7,846,000	7,546,000	4,113,000	-	23.49%	64,243,848	Y	N	N
The Company	Boyuan Construction	Subsidiary of the Company	32,121,924	1,086,788	965,917	465,917	-	3.01%	64,243,848	Y	N	N
The Company	Well Rich International	Sub-subsidiary of the Company	32,121,924	200,000	200,000	100,000	-	0.62%	64,243,848	Y	N	N
Teh Kee	The Company	Provided by subsidiary to parent company	32,121,924	1,907,700	1,907,700	1,907,700	1,907,700	5.94%	64,243,848	N	Y	N

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

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

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

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

Report Item VI

Proposal: Report on the Offering and Issuance of Corporate Bonds, please review.

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

- (I) The issuance of the fifth domestic secured convertible corporate bonds of NT\$10,020,000,000 was approved by the Financial Supervisory Commission (FSC) per JGZfZ Document No.1060016434 dated May 22, 2017.
- (II) The issuance of the first domestic secured ordinary corporate bonds of NT\$3 billion in 2020 was approved by Taipei Exchange Letter Zheng-Gui-Zhai-Zi No. 10900145421 dated December 23, 2020, and Letter Zheng-Gui-Zhai-Zi No. 10900146421 dated December 24, 2020.
- (III) The issuance of the second domestic secured ordinary corporate bonds of NT\$2 billion in 2020 was approved by Taipei Exchange Letter Zheng-Gui-Zhai-Zi No. 10900145431 dated December 23, 2020, and Letter Zheng-Gui-Zhai-Zi No. 10900146632 dated December 25, 2020.
- (IV) The issuance of the first domestic secured ordinary corporate bonds of NT\$2 billion in 2021 was approved by Taipei Exchange Letter Zheng-Gui-Zhai-Zi No. 10900149781 dated January 6, 2021, and Letter Zheng-Gui-Zhai-Zi No. 11000002912 dated January 8, 2021.
- (V) The issuance of the second domestic secured ordinary corporate bonds of NT\$2 billion in 2021 was approved by Taipei Exchange Letter Zheng-Gui-Zhai-Zi No. 10900150101 dated January 6, 2021, and Letter Zheng-Gui-Zhai-Zi No. 11000002592 dated January 12, 2021.
- (VI) Please refer to pages 44 to 48 (Attachment I) of the Meeting Agenda for the issuance status of the aforementioned corporate bonds.

Proposals for Acceptance and Approval

Proposals for Acceptance and Approval

Proposed by the Board of Directors

Proposal I

Proposal: To approve the 2020 Business Report and Financial Statements.

Explanation: (1) The Company's 2020 business report and financial statements have been prepared; the 2020 individual and consolidated financial statements have been audited by CPA Yi-Lien Han and CPA Ti-Nuan Chien from KPMG Taiwan, and an audit report has been issued, together with the business report (please refer to pages 4 to 13 of this Handbook), which has been audited and completed by the Audit Committee.

(2) Please refer to the financial statements listed below.

Resolution:

Independent Auditors' Report

To the Board of Directors of Highwealth Construction Corp.:

Opinion

We have audited the accompanying parent company only financial statements of Highwealth Construction Corp. ("the Company"), which comprise the parent company only balance sheets as of December 31, 2020 and 2019, 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, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

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, 2020. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

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

Description of key audit matter

The real estate industry, in which the Company is into, has a higher tendency of revenue fluctuation, therefore the management has set up relevant internal control procedures. The Company's sales revenue was \$18,074,191 thousands in 2020, whether revenue is presented fairly has a significant impact on financial statement. Therefore, the recognition of sales revenue is one of the most important evaluation in performing our audit procedures.

Auditing procedures proformed

Our principal audit procedures included testing the effectiveness of the design and implementing the internal control system of sales revenue. Inspection of sales contracts, bank account transaction record and real estate ownership transfer document, etc. 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

As of December 31, 2020, inventory of the Company valued \$97,465,526 thousands, constituting 72% of the total assets, which was presented with lower of cost or net realizable value method. The judgment of net realizable value of inventory relies on management since the Company focuses on real estate industry, which is not only deeply affected by politics, economics, and revolution of housing and land taxation, but also an industry involving a large portion of capital infusion and long-term payback. Thus, the valuation of inventory is one of the most important valuation in performing our audit procedures.

Auditing procedures proformed

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

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. And for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2020 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 Yilien Han and Ti-Nuan Chien.

KPMG

Taipei, Taiwan (Republic of China)
March 19, 2021

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.

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

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollar)

Assets		December 31, 2020		December 31, 2019				December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Liabilities and Equity					
1100	Cash and cash equivalents (Note 6(a))	\$ 6,543,049	5	7,581,341	7	Current liabilities:		\$ 58,184,725	43	43,277,303	39
1110	Current financial assets at fair value through profit or loss (Notes 6(b) and 8)	270,366	-	287,726	-	2100	Short-term borrowings (Note 6(m))	4,976,720	4	2,963,851	3
1150	Notes receivable, net (Note 6(d))	1,290,121	1	1,271,200	1	2110	Short-term notes and bills payable (Note 6(n))	7,948,977	6	4,424,056	4
1170	Accounts receivable, net (Notes 6(d) and 7)	107,195	-	103,176	-	2150	Notes payable	3,633	-	7,535	-
130X	Inventories (Notes 6(e), 7 and 8)	97,465,526	72	75,215,692	69	2170	Accounts payable	394,350	-	601,524	1
1410	Prepayments	217,737	-	332,607	-	2180	Accounts payable to related parties (Note 7)	1,313,731	1	1,303,836	1
1460	Non-current assets classified as held for sale, net (Note 6(f))	733,106	1	-	-	2200	Other payables (Note 7)	1,717,064	2	2,887,678	3
1476	Other current financial assets (Notes 6(l), (z), 7,8 and 9(b))	9,186,064	7	4,177,236	4	2230	Current tax liabilities	187,862	-	37,435	-
1479	Other current assets, others	13,178	-	20,988	-	2280	Lease liabilities (Note 6(q))	1,442	-	10,200	-
1480	Current assets recognised as incremental costs to obtain contract with customers (Note 6(l))	1,954,525	1	1,307,988	1	2305	Other current financial liabilities (Note 7)	176,268	-	231,712	-
		<u>117,780,867</u>	<u>87</u>	<u>90,297,954</u>	<u>82</u>	2321	Bonds payable, current portion (Note 6(p))	6,981,477	5	-	-
						2322	Long-term borrowings, current portion (Note 6(o))	941,422	1	107,373	-
Non-current assets:						2399	Other current liabilities, others	592,068	-	73,623	-
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	553,139	-	550,364	1			<u>83,419,739</u>	<u>62</u>	<u>55,926,126</u>	<u>51</u>
1550	Investments accounted for using equity method, net (Notes 6(g), (h), and 8)	5,295,101	4	5,923,202	5	Non-Current liabilities:					
1600	Property, plant and equipment (Notes 6(i) and 8)	437,576	-	899,210	1	2530	Bonds payable (Note 6(p))	17,548,006	13	19,738,699	18
1755	Right-of-use assets (Notes 6(j))	1,427	-	10,093	-	2540	Long-term borrowings (Note 6(o))	3,049,178	2	3,478,065	3
1760	Investment property, net(Notes 6(k) and 8)	3,876,811	3	4,017,978	4	2570	Deferred tax liabilities (Note 6(t))	340	-	340	-
1780	Intangible assets	2,757	-	3,190	-	2640	Net defined benefit liability, non-current (Note 6(s))	37,287	-	35,352	-
1840	Deferred tax assets (Notes 6(t))	14,544	-	14,544	-			<u>20,634,811</u>	<u>15</u>	<u>23,252,456</u>	<u>21</u>
1980	Other non-current financial assets (Notes 6(l) and 8)	8,214,252	6	7,858,341	7		Total liabilities	<u>104,054,550</u>	<u>77</u>	<u>79,178,582</u>	<u>72</u>
		<u>18,395,607</u>	<u>13</u>	<u>19,276,922</u>	<u>18</u>	Stockholders' Equity:					
						3100	Common stock (Note 6(u))	12,902,969	9	11,666,288	11
						3200	Capital surplus (Note 6(u))	680,821	1	424,474	-
						Retained earnings (Note 6(u)):					
						3310	Legal reserve	7,295,747	5	7,227,303	7
						3350	Unappropriated retained earnings	10,793,502	8	10,629,412	10
						3400	Other equity interest (Note 6(u))	535,453	-	532,627	-
						3500	Treasury stock (Note 6(u))	(86,568)	-	(83,810)	-
								<u>32,121,924</u>	<u>23</u>	<u>30,396,294</u>	<u>28</u>
Total assets		\$ <u>136,176,474</u>	<u>100</u>	<u>109,574,876</u>	<u>100</u>		Total equity	<u>104,054,550</u>	<u>77</u>	<u>79,178,582</u>	<u>72</u>
							Total liabilities and equity	\$ <u>136,176,474</u>	<u>100</u>	<u>109,574,876</u>	<u>100</u>

See accompanying notes to parent company only financial statements.

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

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(w))	\$ 18,157,516	100	20,373,762	100
5000	Operating costs (Note 6(e))	12,521,372	69	14,683,003	72
	Gross profit from operations	5,636,144	31	5,690,759	28
5910	Less: Unrealized profit (loss) from sales	-	-	184	-
5920	Add: Realized profit (loss) on from sales(note)	1,236	-	-	-
	Gross profit from operations	5,637,380	31	5,690,575	28
	Operating expenses:				
6100	Selling expenses (Note 7)	923,931	5	1,175,942	6
6200	Administrative expenses	724,738	4	886,483	4
		1,648,669	9	2,062,425	10
	Net operating income	3,988,711	22	3,628,150	18
	Non-operating income and expenses:				
7100	Total interest income (Note 6(y))	8,424	-	14,482	-
7010	Other income (Notes 6(y) and 7)	50,385	-	121,861	1
7020	Other gains and losses, net (Note 6(y))	136,188	1	14,199	-
7050	Share of profit of associates and joint ventures accounted for using equity method, net (Note 6(y))	(713,351)	(4)	(682,798)	(3)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6(g))	(477,590)	(3)	224,993	1
	Total non-operating income and expenses	(995,944)	(6)	(307,263)	(1)
	Profit from continuing operations before tax	2,992,767	16	3,320,887	17
7950	Less: Income tax expenses(Note 6(t))	346,966	2	291,098	1
	Profit	2,645,801	14	3,029,789	16
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains on remeasurements of defined benefit plans(Note 6(s))	(1,469)	-	167	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	2,775	-	22,474	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	1,256	-	(489)	-
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	2,562	-	22,152	-
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	51	-	(149)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	51	-	(149)	-
8300	Other comprehensive income	2,613	-	22,003	-
	Total comprehensive income	<u>\$ 2,648,414</u>	<u>14</u>	<u>3,051,792</u>	<u>16</u>
	Earnings per share (Note 6(v))				
	Basic earnings per share	<u>\$ 2.11</u>		<u>2.42</u>	
	Diluted earnings per share	<u>\$ 1.80</u>		<u>2.10</u>	

See accompanying notes to parent company only financial statements.

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

Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollar)

	Share capital		Retained earnings			Total other equity interest				
	Common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury stock	Total equity
Balance on January 1, 2019	\$ 11,666,266	304,459	6,307,154	15,458,602	21,765,756	344	510,083	510,427	(66,761)	34,180,147
Effects of retrospective application	-	-	-	(14,959)	(14,959)	-	-	-	-	(14,959)
Equity at beginning of period after adjustments	11,666,266	304,459	6,307,154	15,443,643	21,750,797	344	510,083	510,427	(66,761)	34,165,188
Profit (loss)	-	-	-	3,029,789	3,029,789	-	-	-	-	3,029,789
Other comprehensive income	-	-	-	(322)	(322)	(149)	22,474	22,325	-	22,003
Total comprehensive income	-	-	-	3,029,467	3,029,467	(149)	22,474	22,325	-	3,051,792
Appropriation and distribution of retained earnings in 2018:										
Legal reserve appropriated	-	-	685,614	(685,614)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(4,083,194)	(4,083,194)	-	-	-	-	(4,083,194)
Appropriation and distribution of retained earnings for the period from January 1, 2019 to September 30, 2019										
Legal reserve appropriated	-	-	234,535	(234,535)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(2,333,257)	(2,333,257)	-	-	-	-	(2,333,257)
Conversion of convertible bonds	22	81	-	-	-	-	-	-	-	103
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	119,934	-	-	-	-	-	-	-	119,934
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(507,223)	(507,223)	-	-	-	-	(507,223)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(17,049)	(17,049)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	125	125	-	(125)	(125)	-	-
Balance on December 31, 2019	11,666,288	424,474	7,227,303	10,629,412	17,856,715	195	532,432	532,627	(83,810)	30,396,294
Profit (loss)	-	-	-	2,645,801	2,645,801	-	-	-	-	2,645,801
Other comprehensive income	-	-	-	(213)	(213)	51	2,775	2,826	-	2,613
Total comprehensive income	-	-	-	2,645,588	2,645,588	51	2,775	2,826	-	2,648,414
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	68,444	(68,444)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(1,166,629)	(1,166,629)	-	-	-	-	(1,166,629)
Stock dividends of ordinary share	1,166,628	-	-	(1,166,628)	(1,166,628)	-	-	-	-	-
Conversion of convertible bonds	70,053	203,150	-	-	-	-	-	-	-	273,203
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	53,304	-	-	-	-	-	-	-	53,304
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(79,797)	(79,797)	-	-	-	-	(79,797)
Changes in ownership interests in subsidiaries	-	5	-	-	-	-	-	-	(2,758)	(2,753)
Changes in other additional paid in capital	-	(112)	-	-	-	-	-	-	-	(112)
Balance at December 31, 2020	\$ 12,902,969	680,821	7,295,747	10,793,502	18,089,249	246	535,207	535,453	(86,568)	32,121,924

See accompanying notes to parent company only financial statements.

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

Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollar)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 2,992,767	3,320,887
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	76,193	69,652
Amortization expense	4,859	3,929
Expected credit loss / Provision (reversal of provision) for bad debt expense	4,680	1,819
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(44,151)	(23,559)
Interest expense	713,351	682,798
Interest income	(8,424)	(14,482)
Dividend income	(15,166)	(4,778)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	477,590	(224,993)
Loss on disposal of property, plant and equipment	133	-
Gain on disposal of investment properties	(112,057)	-
Unrealized profit from sales	-	184
Realized loss (profit) on from sales	(1,236)	-
Total adjustments to reconcile profit (loss)	1,095,772	490,570
Changes in operating assets and liabilities:		
Changes in operating assets:		
Net loss (gain) on financial assets or liabilities at fair value through profit or loss, mandatorily measured at fair value	61,327	40,561
Increase in notes receivable	(21,901)	(32,049)
Decrease (increase) in accounts receivable	(5,719)	78,750
Increase in inventories	(21,678,220)	(8,589,200)
Decrease (increase) in prepayments	63,748	(76,910)
Decrease in other current assets	7,810	7,668
Decrease (increase) in other financial assets	(5,008,875)	(1,003,174)
Decrease (increase) in incremental costs to obtaining a contract	(646,537)	(607,702)
Total changes in operating assets	(27,228,367)	(10,182,056)
Changes in operating liabilities:		
Decrease (increase) in contract liabilities	3,216,148	1,524,477
Increase (decrease) in notes payable	(3,902)	(12,278)
Increase (decrease) in accounts payable	(197,279)	616,303
Increase (decrease) in other payable	(23,979)	95,918
Increase (decrease) in other financial liabilities	(55,444)	115,064
Increase in other current liabilities	518,445	(126,431)
Increase in net defined benefit liability	466	435
Total changes in operating liabilities	3,454,455	2,213,488
Total changes in operating assets and liabilities	(23,773,912)	(7,968,568)
Total adjustments	(22,678,140)	(7,477,998)
Cash inflow (outflow) generated from operations	(19,685,373)	(4,157,111)
Income taxes paid	(195,344)	(274,035)
Net cash flows from (used in) operating activities	(19,880,717)	(4,431,146)

(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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollar)

Cash flows from (used in) investing activities:

Proceeds from disposal of financial assets at fair value through other comprehensive income	-	491
Acquisition of investments accounted for using equity method	(82,485)	(2,752,981)
Proceeds from disposal of non-current assets classified as held for sale	308,773	-
Acquisition of property, plant and equipment	(3,938)	(36,451)
Acquisition of intangible assets	(4,426)	(2,303)
Proceeds from disposal of investment properties	154,093	-
Interest received	8,460	14,504
Dividends received	221,459	137,357
Net cash flows from (used in) investing activities	601,936	(2,639,383)

Cash flows from (used in) financing activities:

Increase in short-term loans	35,411,358	22,696,834
Decrease in short-term loans	(20,504,355)	(9,324,413)
Decrease (increase) in short-term notes and bills payable	2,012,869	(784,813)
Proceeds from issuing bonds	5,000,000	-
Proceeds from long-term debt	550,000	316,400
Repayments of long-term debt	(144,838)	(95,472)
Payment of lease liabilities	(11,746)	(9,517)
Increase in other financial liabilities	(355,911)	(1,128,532)
Cash dividends paid	(2,333,257)	(5,249,822)
Interest paid	(1,383,631)	(1,163,142)
Net cash flows from financing activities	18,240,489	5,257,523

Net increase (decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

(1,038,292)	(1,813,006)
7,581,341	9,394,347
\$ 6,543,049	7,581,341

See accompanying notes to parent company only financial statements.

Independent Auditors' Report

To the Board of Directors of Highwealth Construction Corp.:

Opinion

We have audited the consolidated financial statements of Highwealth Construction Corp. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

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, 2020 of the Group. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to note 4(q) 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

The real estate industry, in which the Group is into, has a higher tendency of revenue fluctuation, therefore the management has set up relevant internal control procedures. The Group's sales revenue was \$22,657,004 thousand in 2020, whether revenue is presented fairly has a significant impact on financial statement. Therefore, the recognition of sales revenue is one of the most important evaluation in performing our audit procedures.

Auditing procedures performed

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

2. Inventory valuation

Please refer to note 4(h) 、 Note 5 “Revenue” and 6(e) of the consolidated financial statements for the accounting policies on measuring inventory, assumption used and uncertainties considered in determining the net realizable value and the details of inventory.

Description of key audit matter

As of December 31, 2020, inventory of the Group valued \$132,633,229 thousand, constituting 73% of the consolidated total assets, which was presented with lower of cost or net realizable value method. The judgment of net realizable value of inventory relies on management since the Group focuses on real estate industry, which is not only deeply affected by politics, economics, and revolution of housing and land taxation, but also an industry involving a large portion of capital infusion and long-term payback. Thus, the valuation of inventory is one of the most important evaluation in performing our audit procedures.

Auditing procedures performed

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

Other Matter

Highwealth Construction Corp. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 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 Yilien Han and Ti-Nuan Chien.

KPMG

Taipei, Taiwan (Republic of China)

March 19, 2021

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.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousand of New Taiwan Dollars)

		<u>December 31, 2020</u>		<u>December 31, 2019</u>				<u>December 31, 2020</u>		<u>December 31, 2019</u>	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(a))	\$ 10,538,810	6	12,227,545	9	2100	Short-term borrowings (Note 6(n))	\$ 74,772,187	41	56,817,836	38
1110	Financial assets at fair value through profit or loss—current (Notes 6(b) and 8)	270,366	-	629,443	-	2110	short-term transaction instrument payables (Note 6(o))	8,332,703	5	4,225,151	3
1140	Current contract assets (Note 6(y))	14,027	-	50,303	-	2130	Current contract liabilities (Note 6(y))	11,692,080	7	6,203,159	5
1150	Notes receivable, net (Notes 6(d) and 8)	1,524,590	1	1,484,144	1	2150	Notes payable	3,740	-	7,657	-
1170	Accounts receivable, net (Note 6(d))	244,242	-	423,220	-	2170	Accounts payable (Note 7)	6,325,327	3	6,050,414	5
130X	Inventory (Notes 6(e) and 8)	132,633,229	73	105,967,814	72	2200	Other payables	2,215,128	1	2,258,099	2
1410	Prepayment	602,091	-	616,740	-	2216	Dividends payable (Note 6(w))	557	-	1,167,169	-
1461	Non-current assets classified as held for sale (Note 6(f) and 8)	1,787,896	1	-	-	2230	Current tax liabilities	327,601	-	74,239	-
1476	Other financial assets-current (Notes 6(m) · (ab) · 8 and 9(b))	12,310,906	8	5,487,384	4	2250	Provisions—Current (Notes 6(s) and (u))	162,060	-	137,991	-
1479	Other current assets, others	191,218	-	230,516	-	2280	Lease liabilities (Note 6(r))	62,057	-	65,209	-
1480	Current assets recognised as incremental costs to obtain contract with customers (Note 6(m))	2,445,546	1	1,558,403	1	2305	Other financial liability-current	93,917	-	99,047	-
		<u>162,562,921</u>	<u>90</u>	<u>128,675,512</u>	<u>87</u>	2321	Current Portion of reverse bonds (Note 6(q))	8,462,758	5	-	-
						2322	Current portion of long-term borrowings (Note 6(p))	1,995,648	1	257,788	-
						2399	Other current liabilities, others(note)	932,513	1	194,597	-
								<u>115,378,276</u>	<u>64</u>	<u>77,558,356</u>	<u>53</u>
Non-current assets:						Non-Current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	553,139	-	550,364	-	2530	Bonds payable (Note 6(q))	25,399,497	14	29,074,991	20
1550	Investments accounted for using equity method, net (Note 6(g))	128,595	-	91,584	-	2540	Long-term borrowings (Note 6(p))	3,536,443	3	6,013,239	4
1600	Property, plant and equipment (Note 6(j) and 8)	1,164,500	1	3,039,648	2	2570	Deferred tax liabilities	191,553	-	191,553	-
1755	Right-of-use assets (Note 6(k))	446,755	-	492,209	-	2580	Lease liabilities, non-current (Note 6(r))	458,956	-	500,586	-
1760	Investment property (Notes 6(l) and 8)	4,503,417	3	4,563,599	3	2640	Net defined benefit liability, non-current (Note 6(u))	42,115	-	41,638	-
1780	Intangible assets	25,692	-	24,718	-			<u>29,628,564</u>	<u>17</u>	<u>35,822,007</u>	<u>24</u>
1840	Deferred tax assets	47,365	-	41,209	-			<u>145,006,840</u>	<u>81</u>	<u>113,380,363</u>	<u>77</u>
1980	Other non-current financial assets (Note 6(m))	11,148,989	6	10,224,220	8	Total liabilities					
1915	Prepayments for business facilities	106,098	-	-	-	Equity attributable to owners of parent:					
1990	Other non-current assets, others	119,887	-	120,482	-	3100	Common stock (Note 6(w))	12,902,969	7	11,666,288	8
		<u>18,244,437</u>	<u>10</u>	<u>19,148,033</u>	<u>13</u>	3200	Capital surplus (Note 6(w))	680,821	-	424,474	-
						Retained earnings (Note 6(w)):					
						3310	Legal reserve	7,295,747	4	7,227,303	5
						3350	Unappropriated earnings	10,793,502	6	10,629,412	7
						3400	Other equity (Note 6(w))	535,453	-	532,627	-
						3500	Treasury stock (Note 6(w))	(86,568)	-	(83,810)	-
								<u>32,121,924</u>	<u>17</u>	<u>30,396,294</u>	<u>20</u>
						36XX	Non-controlling interests (Note 6(i))	3,678,594	2	4,046,888	3
								<u>35,800,518</u>	<u>19</u>	<u>34,443,182</u>	<u>23</u>
Total assets		\$ 180,807,358	100	147,823,545	100	Total liabilities and equity		\$ 180,807,358	100	147,823,545	100

See accompanying notes to parent company only financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(y))	\$ 24,463,018	100	23,798,201	100
5000	Operating cost (Note 6(e))	17,611,739	72	17,148,864	72
	Gross profit from operations	<u>6,851,279</u>	<u>28</u>	<u>6,649,337</u>	<u>28</u>
	Operating expenses:				
6100	Selling expenses (Note 6(m))	1,451,014	6	1,673,787	7
6200	Administrative expenses	1,263,908	5	1,469,558	6
		<u>2,714,922</u>	<u>11</u>	<u>3,143,345</u>	<u>13</u>
	Net operating income	<u>4,136,357</u>	<u>17</u>	<u>3,505,992</u>	<u>15</u>
	Non-operating income and expenses:				
7100	Total interest income (Notes 6(aa))	22,762	-	33,660	-
7010	Other income (Note 6(aa) and 7)	165,185	1	230,343	1
7020	Other gains and losses (Note 6(aa))	(115,742)	-	1,089,374	5
7050	Finance costs, net (Note 6(aa))	(887,416)	(4)	(902,991)	(4)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6(g))	(4,989)	-	(4,606)	-
	Total non-operating income and expenses	<u>(820,200)</u>	<u>(3)</u>	<u>445,780</u>	<u>2</u>
	Profit (loss) from continuing operations before tax	<u>3,316,157</u>	<u>14</u>	<u>3,951,772</u>	<u>17</u>
7950	Less: Income tax expenses (Note 6(v))	492,903	2	462,755	2
	Profit (loss)	<u>2,823,254</u>	<u>12</u>	<u>3,489,017</u>	<u>15</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans (Note 6(u))	(213)	-	(322)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	2,775	-	22,474	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		<u>2,562</u>	<u>-</u>	<u>22,152</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	51	-	(149)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	<u>51</u>	<u>-</u>	<u>(149)</u>	<u>-</u>
8300	Other comprehensive income	<u>2,613</u>	<u>-</u>	<u>22,003</u>	<u>-</u>
	Total comprehensive income	<u>\$ 2,825,867</u>	<u>12</u>	<u>\$ 3,511,020</u>	<u>15</u>
	Profit, attributable to:				
8610	Profit, attributable to owners of parent company	\$ 2,645,801	11	3,029,789	13
8620	Profit, attributable to non-controlling interests	177,453	1	459,228	-
		<u>\$ 2,823,254</u>	<u>12</u>	<u>\$ 3,489,017</u>	<u>15</u>
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent company	\$ 2,648,414	11	3,051,792	13
8720	Comprehensive income, attributable to non-controlling interests	177,453	1	459,228	2
		<u>\$ 2,825,867</u>	<u>12</u>	<u>\$ 3,511,020</u>	<u>15</u>
	Earnings per share (Note 6(w))				
9750	Basic earnings per share	<u>\$ 2.11</u>		<u>2.42</u>	
9850	Diluted earnings per share	<u>\$ 1.80</u>		<u>2.10</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousand of New Taiwan Dollars)

	Equity attributable to owners of parent												
	Share capital		Retained earnings			Total other equity interest				Treasury stock	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest					
Balance on January 1, 2019	\$ 11,666,266	304,459	6,307,154	15,458,602	21,765,756	344	510,083	510,427	(66,761)	34,180,147	5,922,001	40,102,148	
Effects of retrospective application	-	-	-	(14,959)	(14,959)	-	-	-	-	(14,959)	(140)	(15,099)	
Equity at beginning of period after adjustments	11,666,266	304,459	6,307,154	15,443,643	21,750,797	344	510,083	510,427	(66,761)	34,165,188	5,921,861	40,087,049	
Profit (loss)	-	-	-	3,029,789	3,029,789	-	-	-	-	3,029,789	459,228	3,489,017	
Other comprehensive income	-	-	-	(322)	(322)	(149)	22,474	22,325	-	22,003	-	22,003	
Total comprehensive income	-	-	-	3,029,467	3,029,467	(149)	22,474	22,325	-	3,051,792	459,228	3,511,020	
Appropriation and distribution of retained earnings in 2018:													
Legal reserve appropriated	-	-	685,614	(685,614)	-	-	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	(4,083,194)	(4,083,194)	-	-	-	-	(4,083,194)	-	(4,083,194)	
Appropriation and distribution of retained earnings for the period from January 1, 2019 to September 30, 2019													
Legal reserve appropriated	-	-	234,535	(234,535)	-	-	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	(2,333,257)	(2,333,257)	-	-	-	-	(2,333,257)	-	(2,333,257)	
Conversion of convertible bonds	22	81	-	-	-	-	-	-	-	103	-	103	
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	119,934	-	-	-	-	-	-	-	119,934	-	119,934	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(507,223)	(507,223)	-	-	-	-	(507,223)	-	(507,223)	
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(17,049)	(17,049)	17,049	-	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,351,250)	(2,351,250)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	125	125	-	(125)	(125)	-	-	-	-	
Balance on December 31, 2019	11,666,288	424,474	7,227,303	10,629,412	17,856,715	195	532,432	532,627	(83,810)	30,396,294	4,046,888	34,443,182	
Profit (loss)	-	-	-	2,645,801	2,645,801	-	-	-	-	2,645,801	177,453	2,823,254	
Other comprehensive income	-	-	-	(213)	(213)	51	2,775	2,826	-	2,613	-	2,613	
Total comprehensive income	-	-	-	2,645,588	2,645,588	51	2,775	2,826	-	2,648,414	177,453	2,825,867	
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	68,444	(68,444)	-	-	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	(1,166,629)	(1,166,629)	-	-	-	-	(1,166,629)	-	(1,166,629)	
Stock dividends of ordinary share	1,166,628	-	-	(1,166,628)	(1,166,628)	-	-	-	-	-	-	-	
Conversion of convertible bonds	70,053	203,150	-	-	-	-	-	-	-	273,203	-	273,203	
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	53,304	-	-	-	-	-	-	-	53,304	-	53,304	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(79,797)	(79,797)	-	-	-	-	(79,797)	-	(79,797)	
Changes in ownership interests in subsidiaries	-	5	-	-	-	-	-	-	(2,758)	(2,753)	2,753	-	
Changes in other capital surplus	-	(112)	-	-	-	-	-	-	-	(112)	-	(112)	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(548,500)	(548,500)	
Balance at December 31, 2020	\$ 12,902,969	680,821	7,295,747	10,793,502	18,089,249	246	535,207	535,453	(86,568)	32,121,924	3,678,594	35,800,518	

See accompanying notes to parent company only financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in Thousand of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 3,316,157	3,951,772
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	228,483	207,983
Amortization expense	14,340	10,682
Expected credit loss / Provision (reversal of provision) for bad debt expense	4,680	1,819
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(40,633)	(46,363)
Interest expense	887,416	902,991
Interest income	(22,762)	(33,660)
Dividend income	(15,166)	(10,564)
Share of loss of associates and joint ventures accounted for using equity method	4,989	4,606
Gain on disposal of property, plan and equipment	(1,836)	(1,091)
Gain on disposal of investment properties	(112,057)	(162,047)
Gain on lease modifications	(141)	(254)
Gain on disposal of non-current assets classified as held for sale	-	(886,639)
Impairment loss on non-financial assets	250,000	57,000
Gain to the rights transferred of the sale and leaseback	-	(62,116)
Total adjustments to reconcile profit (loss)	1,197,313	(17,653)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Net gain (loss) on financial assets or liabilities at fair value through profit or loss	399,526	47,094
Decrease (increase) in contract assets	36,276	(8,379)
Increase in notes receivable	(43,426)	(5,885)
Decrease (increase) in accounts receivable	177,278	(134,532)
Increase in inventories	(25,699,587)	(13,959,363)
Increase in prepayments	(38,679)	(230,282)
Decrease (increase) in other current and non-current assets	39,905	(97,131)
Increase in other financial assets	(6,815,107)	(1,111,018)
Increase in assets recognised as incremental costs to obtain contract with customers	(887,143)	(787,152)
Total changes in operating assets	(32,830,957)	(16,286,648)
Changes in operating liabilities:		
Increase in contract liabilities	4,575,045	2,846,221
Decrease in notes payable	(3,917)	(12,355)
Increase (decrease) in accounts payable	274,913	(56,644)
Increase (decrease) in other payables	(62,191)	216,454
Increase (decrease) in provisions	24,069	(80,979)
Increase (decrease) in other financial liabilities	(5,130)	77,155
Increase (decrease) in other current liabilities	737,916	(138,897)
Increase in net defined benefit liability	264	239
Total changes in operating liabilities	5,540,969	2,851,194
Total changes in operating assets and liabilities	(27,289,988)	(13,435,454)
Total adjustments	(26,092,675)	(13,453,107)
Cash inflow generated from operations	(22,776,518)	(9,501,335)
Income taxes paid	(250,706)	(757,284)
Net cash flows from (used in) operating activities	(23,027,224)	(10,258,619)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
HIGHWEALTH CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT' D)

For the years ended December 31, 2020 and 2019

(Expressed in Thousand of New Taiwan Dollars)

Cash flows from (used in) investing activities:

Proceeds from disposal of financial assets at fair value through other comprehensive income	-	491
Acquisition of investments accounted for using equity method	(42,000)	-
Proceeds from disposal of non-current assets classified as held for sale	913,876	1,286,739
Acquisition of property, plant and equipment	(83,275)	(455,847)
Proceeds from disposal of property, plant and equipment	4,695	231,682
Acquisition of intangible assets	(15,351)	(10,380)
Proceeds from disposal of intangible assets	43	-
Proceeds from disposal of investment properties	154,093	518,330
Increase in prepayments for business facilities	(106,098)	-
Interest received	20,526	30,049
Dividends received	15,166	10,564
Net cash flows from (used in) investing activities	861,675	1,611,628

Cash flows from (used in) financing activities:

Increase in short-term loans	44,588,960	30,917,734
Decrease in short-term loans	(26,635,600)	(16,492,233)
Increase (decrease) in short-term notes and bills payable	4,107,552	(122,782)
Proceeds from issuing bonds	5,000,000	5,900,000
Repayments of bonds	-	(2,000,000)
Proceeds from long-term debt	550,000	682,200
Repayments of long-term debt	(1,288,936)	(615,457)
Payment of lease liabilities	(53,740)	(50,132)
Increase in other financial liabilities	(924,769)	(2,737,259)
Cash dividends paid	(2,795,749)	(7,237,596)
Interest paid	(1,958,120)	(1,671,366)
Changes in non-controlling interests	(112,828)	(750,765)
Net cash flows from (used in) financing activities	20,476,770	5,822,344

Effect of exchange rate changes on cash and cash equivalents

	44	(114)
Net increase (decrease) in cash and cash equivalents	(1,688,735)	(2,824,761)
Cash and cash equivalents at beginning of the year	12,227,545	15,052,306
Cash and cash equivalents at end of the year	\$ 10,538,810	12,227,545

See accompanying notes to parent company only financial statements.

Proposals for Acceptance and Approval

Proposed by the Board of Directors

Proposal II

Proposal: Distribution of Earnings of the Company for 2020.

Explanation: (I) The beginning balance of the Company's undistributed earnings for 2020 amounted to NT\$8,227,710,198. Adding the net profit after tax for the current period of NT\$2,645,800,841 and other comprehensive profits of subsidiaries, associates and joint ventures accounted for using the equity method of NT\$1,256,224, subtracting the change of remeasurement value of the defined benefit plan for the current period of NT\$1,469,355 and the difference between the actual proceeds or the disposal share price and the carrying value of the stakes in subsidiaries of NT\$79,796,251, the total distributable earnings amounted to NT\$10,793,501,657.

(II) Please refer to the Distribution of earnings.

Resolution:

Highwealth Construction Corporation
Distribution of 2020 earnings



Unit: NT\$

Item	Amount	
	Subtotal	Total
Beginning balance of undistributed earnings		8,227,710,198
Add: Current net profit after tax	2,645,800,841	
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	1,256,224	
Less: Change of remeasurement value of the defined benefit plan for the current period	(1,469,355)	
Difference between the actual proceeds or the disposal share price and the carrying value of the stakes in subsidiaries	(79,796,251)	
Distributable earnings		10,793,501,657
Minus: 10% legal reserve	(256,579,146)	
Minus: Assign items		
Dividend to shareholders - cash (NT\$2 per share)	(2,581,927,234)	
End balance of undistributed earnings		7,954,995,277

Chairperson: Zheng Zhilong



Manager: Fan Huajun



Accountant Officer: Li Xiutai



Discussion Items

Discussion Items

proposed by the Board of Directors

Item I

Proposal: Submission of the amendment of partial articles of the Rules of Procedures for Shareholders Meetings shall be proposed for resolution.

Explanation: In accordance with Letter Tai-Zheng-Zhi-Li-Zi No. 1090009468 dated June 3, 2020 and Letter Tai-Zheng-Zhi-Li-Zi No.11000014461 dated January 28, 2021 by the Taiwan Stock Exchange, the Company has amended parts of the articles of the Rules of Procedures for Shareholders Meetings. Please refer to pages 49 to 52 of the Meeting Handbook for the Comparison Table of Amendments (Attachment II).

Resolution:

Discussion Items

Discussion Items

proposed by the Board of Directors

Item II

Proposal: Amendments to parts of the articles of the “Regulations for Election of Directors”.

Explanation: In accordance with Taiwan Stock Exchange-Letter Tai-Zheng-Zhi-Li-Zi No. 1090009468 dated June 3, 2020, the Company has amended parts of the articles of the Regulations for Election of Directors. Please refer to pages 53 to 55 of the Meeting Agenda for the Comparison Table of Amendments (Attachment III).

Resolution:

Extemporany Motions

Attachment I

Issuance Status of Corporate Bonds

March 31, 2021

Type of Corporate Bonds		Domestic Fifth Secured Convertible Bonds (Code: 25425)
Release Date		June 8, 2017
Denomination		NT\$100,000
Place of Issuance and Transaction		In Taiwan
Issue Price		Issued at 100.2% of face value
Total		The total amount is NT\$10.02 billion.
Interest rate		0%
Period		Five years, and maturity date: June 8, 2022
Guarantee Organization		Taiwan Cooperative Bank Co., Ltd., Mega International Commercial Bank Co., Ltd., Agricultural Bank of Taiwan Co., Ltd., Chang Hwa Bank Co., Ltd., Taiwan Business Bank Co., Ltd., Jhsun International Commercial Bank Co., Ltd., Taichung Commercial Bank Co., Ltd., Bank of Kaohsiung Co., Ltd. and DBS (Taiwan) Commercial Bank Co., Ltd.
Trustee		Land Bank of Taiwan Co., Ltd.
Underwriting institution		Fubon Securities Co., Ltd
Certified Lawyer		Lawyer Pang Yeeching of Handsome Attorneys-at-Law
Certified Public Accountant		Accountant Chien Tinuan and Tseng Kuoyang of KPMG Certified Public Accountant Office
Reimbursement Method		If the bondholder converts the bonds to the Company's ordinary shares in accordance with Article 10 of the Regulations on Issuance and Conversion of Convertible Corporate Bonds, and redeems them in advance by the Company and repurchases them from the business office of the securities firm according to Article 18, or the bondholder sells them back in advance according to Article 19, the bondholder shall be repaid in cash at maturity with interest compensation calculated in addition to the par value of the bonds.
Outstanding Amount		NT\$9,712,200 thousand
Redemption and Advanced Redemption Provisions		Please refer to the conversion method.
Restrictive Provisions		Please refer to the conversion method.
Name of Credit Rating Agency, Date of Rating and Corporate Bond Rating Results		None.
Other rights attached	Amount of Converted (Exchanged or Subscribed) Ordinary shares, Overseas Depository Receipts or Other Negotiable Securities	None.
	Issuance and conversion (Conversion or subscription) method	Please refer to the conversion method.
Possible Equity Dilution Status and Impact on Existing Shareholders' Equity		Assuming that all of the bond holders request to convert the convertible bonds to ordinary shares of the Company at the conversion price of NT\$37.5, the estimated maximum number of convertible shares is 258,992 thousand shares with a maximum dilution effect on the original shareholders' equity of 16.71%.
Name of the Custodian Institution for Underlying Exchange		Not applicable.

Issuance Status of Corporate Bonds

March 31, 2021

Type of Corporate Bonds	The first secured ordinary corporate bonds for 2020 (Code:B86405; a.k.a. P09Highwealth1)	
Issuance date	December 30, 2020	
Denomination	NT\$1,000,000	
Place of issuance and transaction (Note)	Not applicable.	
Issue Price	At face value	
Total	NT\$3 billion in total	
Interest rate	Coupon rate: fixed rate at 0.53% per annum	
Period	5-year period, maturity date: December 30, 2025	
Guarantee Organization	Bank of Taiwan Co., Ltd.	
Trustee	Land Bank of Taiwan Co., Ltd.	
Underwriting institution	BankTaiwan Securities Co.,Ltd.	
Certified Lawyer	Chung-Chieh Yu, lawyer	
Certified Public Accountant	Han I-Lien and Chien Tinuan	
Reimbursement Method	Bullet repayment at maturity	
Outstanding principal amount	NT\$3,000,000,000	
Redemption and Advanced Redemption Provisions	The Company may exercise its call option and buy back all corporate bonds as at the interest payment date three years after issuance.	
Restrictive Provisions	None	
Name of credit rating agency, date of credit rating and credit rating of corporate bonds	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 2020.
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 2020.	
Name of the Custodian Institution for Underlying Exchange	Not applicable.	

Note: Filled in by overseas bond holders.

Issuance status of corporate bonds

March 31, 2021

Type of Corporate Bonds		The second secured ordinary corporate bonds for 2020 (Code:B86406; a.k.a. P09Highwealth2)
Issuance date		December 30, 2020
Denomination		NT\$1,000,000
Place of issuance and transaction (Note)		Not applicable.
Issue Price		At face value
Total		NT\$2 billion in total
Interest rate		Coupon rate: fixed rate at 0.53% per annum
Period		5-year period, maturity date: December 30, 2025
Guarantee Organization		Land Bank of Taiwan Co., Ltd.
Trustee		JihSun International Bank Co., Ltd.
Underwriting institution		Land Bank of Taiwan Co., Ltd.
Certified Lawyer		Chung-Chieh Yu, lawyer
Certified Public Accountant		Han I-Lien and Chien Tinuan
Reimbursement Method		Bullet repayment at maturity
Outstanding principal amount		NT\$2,000,000,000
Redemption and Advanced Redemption Provisions		The Company may exercise its call option and buy back all corporate bonds as at the interest payment date three years after issuance.
Restrictive Provisions		None
Name of credit rating agency, date of credit rating and credit rating of corporate bonds		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 second secured ordinary corporate bonds for 2020.
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 second secured ordinary corporate bonds for 2020.
Name of the Custodian Institution for Underlying Exchange		Not applicable.

Note: Filled in by overseas bond holders.

Issuance status of corporate bonds

March 31, 2021

Type of Corporate Bonds	The first secured ordinary corporate bonds for 2021 (Code:B86407; a.k.a. P10Highwealth1)	
Issuance date	January 14, 2021	
Denomination	NT\$1,000,000	
Place of issuance and transaction (Note)	Not applicable.	
Issue Price	At face value	
Total	NT\$2 billion in total	
Interest rate	Coupon rate: fixed rate at 0.52% per annum	
Period	5-year period, maturity date: January 14, 2026	
Guarantee Organization	Mega International Bank Co., Ltd.	
Trustee	Land Bank of Taiwan Co., Ltd.	
Underwriting institution	Mega Securities Co., Ltd	
Certified Lawyer	Chung-Chieh Yu, lawyer	
Certified Public Accountant	Han I-Lien and Chien Tinuan	
Reimbursement Method	Bullet repayment at maturity	
Outstanding principal amount	NT\$2,000,000,000	
Redemption and Advanced Redemption Provisions	Not applicable.	
Restrictive Provisions	None	
Name of credit rating agency, date of credit rating and credit rating of corporate bonds	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 2021.
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 2021.	
Name of the Custodian Institution for Underlying Exchange	Not applicable.	

Note: Filled in by overseas bond holders.

Issuance Status of Corporate Bonds

March 31, 2021

Type of Corporate Bonds	The second secured ordinary corporate bonds for 2021 (Code:B86408; a.k.a. P10Highwealth1)	
Issuance date	January 14, 2021	
Denomination	NT\$1,000,000	
Place of issuance and transaction (Note)	Not applicable.	
Issue Price	At face value	
Total	NT\$2 billion in total	
Interest rate	Coupon rate: fixed rate at 0.50% per annum	
Period	3-year period, maturity date: January 14, 2024	
Guarantee Organization	Taiwan Cooperative Bank Co., Ltd.	
Trustee	JihSun International Bank Co., Ltd.	
Underwriting institution	Taiwan Cooperative Securities Co., Ltd.	
Certified Lawyer	Chung-Chieh Yu, lawyer	
Certified Public Accountant	Han I-Lien and Chien Tinuan	
Reimbursement Method	Bullet repayment at maturity	
Outstanding principal amount	NT\$2,000,000,000	
Redemption and Advanced Redemption Provisions	Not applicable.	
Restrictive Provisions	None	
Name of credit rating agency, date of credit rating and credit rating of corporate bonds	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 second secured ordinary corporate bonds for 2021.
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 second secured ordinary corporate bonds for 2021.	
Name of the Custodian Institution for Underlying Exchange	Not applicable.	

Note: Filled in by overseas bond holders.

Attachment II

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

Before Amendment	After Amendment	Reasons for Amendments
<p>Article 3 (Paragraph 1 and 2 are omitted)</p> <p>The essential content of the appointment or dismissal of directors, amendments to articles, reduction of capital, application for the approval of ceasing the 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, shall be explained in the shareholders’ meeting notice and shall not be proposed as extemporary motions; <u>the essential contents shall be posted on the website designated by the competent authority of securities affairs or the Company, and such website shall be indicated in the notice.</u></p> <p>(Item 4 omitted)</p> <p>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</p>	<p>Article 3 (Paragraph 1 and 2 are omitted)</p> <p>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, <u>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</u> shall be explained in the shareholders’ meeting notice and shall not be proposed as extemporary motions.</p> <p>(Item 4 omitted)</p> <p>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</p>	<p>In accordance with regulations, revise the content of the text to make it clearer.</p>

Before Amendment	After Amendment	Reasons for Amendments
<p>included in the meeting agenda. <u>If, however, the shareholder’s proposal concerns recommendation advocating for the Company to promote public interest or fulfill social responsibilities, the Board of Directors shall include such proposal in the agenda.</u> 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.</p> <p>(Omitted below)</p>	<p>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. <u>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.</u></p> <p>(Omitted below)</p>	
<p>Article 9 (Paragraph 1 is omitted)</p> <p>At the expiration of the meeting time, the chairperson shall immediately announce the opening of the meeting. If the shareholders representing half of issued shares are not present, the chairperson shall announce an adjournment of the meeting for a maximum of two times, which shall not exceed a total of one hour. The chairperson shall announce the adjournment of the meeting if the shareholders representing one-third or more of the total number of issued shares are not present twice after the adjournment.</p>	<p>Article 9 (Paragraph 1 is omitted)</p> <p>The chairperson shall call the meeting to order at the appointed meeting time <u>and announce the number of shares without voting rights, the number of shares present and other relevant information.</u> 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. The chairperson shall announce the adjournment of the meeting if the shareholders representing one-third or more of the total number of issued shares are not</p>	<p>In accordance with regulations, revise the content of the text to make it clearer.</p>

Before Amendment	After Amendment	Reasons for Amendments
(Omitted below)	present twice after the adjournment. (Omitted below)	
<p>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 the spot immediately, including the names of those elected as directors and the numbers of votes they received.</p> <p>(Omitted below)</p>	<p>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 <u>and the names of those not elected as directors and the numbers of votes they received.</u></p> <p>(Omitted below)</p>	<p>In accordance with regulations, revise the content of the text to make it clearer.</p>
<p>Article 17 (Paragraph 1 and 2 are omitted)</p> <p>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 the <u>elected directors</u>. The minutes shall be retained for the duration of the existence of the Company.</p>	<p>Article 17 (Paragraph 1 and 2 are omitted)</p> <p>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 <u>each candidate</u>. The minutes shall be retained for the duration of the existence of the Company.</p>	<p>In accordance with regulations, revise the content of the text to make it clearer.</p>
<p>Article 21 The Rules were promulgated on May 20, 1996. (Omitted below) The sixth amendment was made on June</p>	<p>Article 21 The Rules were promulgated on May 20, 1996. (Omitted below) The sixth amendment was made on June</p>	<p>Addition of dates of revisions.</p>

Before Amendment	After Amendment	Reasons for Amendments
<p>13, 2017. The seventh amendment was made on June 10, 2020.</p>	<p>13, 2017. The seventh amendment was made on June 10, 2020. <u>The eighth amendment was made on June 10, 2021.</u></p>	

Attachment III

“Comparison Table for Amendments to Regulations for Election of Directors”

Before Amendment	After Amendment	Reasons for Amendments
<p>Article 8</p> <p>The ballot caskets shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.</p>	<p>Article 8</p> <p>The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.</p>	<p>Amended wording.</p>
<p>Article 9</p> <p>A voter must indicate in the “candidate” column of the ballot the candidate’s name, <u>account number, or the candidate’s tax ID number (identity card number) if the candidate is not a shareholder number. The voter shall then cast the vote in the ballot caskets.</u> However, if the candidate is a governmental organization or corporate shareholder, the name of the governmental <u>organization</u> or corporate shareholder <u>and its tax ID number</u>, as well as the name of corporate shareholder and the name of its representative <u>shall</u> be indicated in the “candidate” column of the ballot.</p>	<p>Article 9</p> <p>Voters shall indicate the name <u>or</u> account <u>name</u> in the candidate column on the <u>election</u> ballot. However, when the candidate is a governmental organization or corporate shareholder, the <u>name</u> 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 <u>governmental organization or</u> corporate shareholder and the name of its representative may be indicated. <u>When there are multiple representatives, the names of each respective representative shall be indicated.</u></p>	<p>In accordance with regulations, revise the content of the text to make it clearer.</p>
<p>Article 10</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot is not prepared in accordance with <u>these regulations</u>. 2. A blank ballot is placed in the ballot <u>casket</u>. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate <u>indicated on the</u> 	<p>Article 10</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot is not <u>prepared by the convener</u>. 2. A blank ballot is placed in the ballot <u>box</u>. 3. The writing is unclear and indecipherable or has been altered. 4. The particulars of the candidate 	<p>In accordance with regulations, revise the content of the text to make it clearer.</p>

Before Amendment	After Amendment	Reasons for Amendments
<p><u>ballot has not been nominated according to Article 2 of these regulations.</u></p> <p>5. Other words or marks are written in addition to the <u>candidate's name, shareholder account number and tax ID number (identity card number).</u></p> <p>6. <u>The name of the candidate indicated on the ballot is identical to that of another shareholder, but no shareholder account number or tax ID number (identity card number) is provided on the ballot to identify such individual.</u></p> <p>7. The candidate <u>indicated on the ballot is a shareholder, but the candidate's account name and shareholder account number differ from the shareholder register; or the candidate indicated on the ballot is a non-shareholder, but a cross-check shows discrepancies between the details on the ballot, and the candidate's name and identity card number.</u></p>	<p><u>indicated on the ballot do not correspond to the director candidate list.</u></p> <p>5. Other words or marks are written in addition to the <u>candidate's name or account name.</u></p> <p>6. <u>Two or more candidates are indicated on the same ballot.</u></p>	
<p>Article 11 For the election of directors, persons performing the duties of vote monitoring shall open the ballot <u>caskets</u> after voting.</p>	<p>Article 11 For the election of directors, persons performing the duties of vote monitoring shall open the ballot <u>boxes</u> after voting.</p>	Amended wording.
<p><u>Article 14</u> These Regulations, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.</p>	<p><u>Article 14</u> These Regulations, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.</p>	Addition of dates of revisions.

Before Amendment	After Amendment	Reasons for Amendments
<p>The Rules were promulgated on May 20, 1996.</p> <p>The first amendment was made on June 20, 2002.</p> <p>The second amendment was made on June 13, 2008.</p> <p>The third amendment was made on June 13, 2007.</p>	<p>The Rules were promulgated on May 20, 1996.</p> <p>The first amendment was made on June 20, 2002.</p> <p>The second amendment was made on June 13, 2008.</p> <p>The third amendment was made on June 13, 2007.</p> <p><u>The fourth amendment was made on June 10, 2021.</u></p>	

Appendix I

Highwealth Construction Corporation Articles 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 left businesses:

- I. Leasing and sale of commercial buildings and national residential buildings commissioned by construction companies.
- II. Design and construction of interior decoration.
- III. Trading, import and export of building materials, decoration materials and construction machinery.
- IV. Introduction to the rental and sale of houses and cadastral surveying business.
- V. Real estate business information consultant and credit data collection, analysis and printing business.
- VI. Development, lease, sale and management of the industrial zone commissioned by the competent government's industrial authority (except building industry).
- VII. Design of swimming pools, runways, bridges, airports, harbors and MRT systems (except architect industry).
- VIII. Civil engineering design and planning consultancy.
- IX. Operation of general merchandise sales, hotels, supermarkets, three-dimensional parking lots and natural scenic spots.
- X. Operation of restaurants.
- XI. Consultants for analysis and diagnosis of enterprise management and financial management (excluding CPA services) (excluding securities investment consulting services).
- XII. Computer information consultant.
- XIII. Development, rental and sale of H701020 industrial factory building.
- XIV. H701040 Development industry of specific professional zone.
- XV. H701050 Public construction industry of investment.
- XVI. H701060 Development industry of new town and new community.
- XVII. H703010 Rental industry of plant.

- XVIII. H703020 Rental industry of warehouse.
- XIX. H703030 Rental industry of office building.
- XX. ZZ99999 Except for permitted businesses, businesses not prohibited or restricted by laws and regulations can be operated.

Article 3: The Company is headquartered in Taipei City, and shall, if necessary, establish branches at home and abroad by resolution of the Board of Directors in accordance with law.

Article 4: The announcement methods of the Company shall be handled in accordance with Article 28 of Company Act.

Chapter II Shareholdings

Article 5: The capital of the Company is NTD 20 billion, divided into two hundred million shares at NTD 10 per share, and the Board of Directors shall be authorized to issue the shares in installments. 20 million shares, warrant bonds and exercise of preferred shares with warrants shall be reserved from the above capital sum. The Board of Directors shall be authorized for issuing in batch. The Company may, with the consent of the shareholders' meeting attended by a majority of the total number of issued shares and at least two-thirds of the voting rights of the shareholders present, transfer the shares to employees at a price lower than the average price of the actual repurchased shares, or issue employee warrants at a price lower than the market price.

Article 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 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 vice-chairperson 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.

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 long-term development. The Board of Directors shall pay attention to the stability and growth of dividends when formulating the appropriation of earnings, and shall decide on the most appropriate method for dividend policy payment depending on the operating conditions 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.

Appendix 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.
- 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 handbook and supplementary meeting data of the shareholders' meeting shall be compiled and transmitted to the Open Information Observatory by electronic archives twenty-one days prior to the ordinary meeting or fifteen days prior to extraordinary meeting of shareholders. Fifteen days prior to the meeting, the handbook of shareholders' meetings and supplementary information for the meeting shall be prepared and made available to the shareholders at any time and shall be displayed to the Company and the professional stock agents appointed by the Company and shall be distributed at the scene of the shareholders' meeting. The notice and announcement shall state the reasons for convening the meeting; If the notice is approved by the other party, the notice shall be made electronically.
- The essential content of the appointment or dismissal of directors, amendments to articles, reduction of capital, application for the approval of ceasing the 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, shall be explained in the shareholders' meeting notice and shall not be proposed as extemporary motions; the essential contents shall be posted on the website designated by the competent authority of securities affairs or the Company, and such website shall be indicated in the notice.
- 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. If, however, the shareholder's proposal concerns recommendation advocating for the Company to promote public interest or fulfill social responsibilities, the Board of Directors shall include such proposal in the 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.

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.

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

Article 6: The Company shall specify in the notice of meeting the time for accepting the shareholders' register, the place of registration and other matters needing attention. The aforesaid time for accepting shareholders' register shall be at least 30 minutes prior to the commencement of the meeting. The registration desk shall be clearly marked and shall be handled by adequate and competent personnel. Shareholders themselves or their proxies (hereinafter referred to as shareholders) shall attend the shareholders' meeting by presenting their attendance cards or other certificates of attendance. The Company shall request shareholders to provide any other supporting documents for shareholders' attendance at the meeting. A requester with a power of attorney shall bring along identity documents for verification. The Company shall set up an autograph book for the attending shareholders to sign in, or the attending shareholders shall submit a sign-in card to sign in. The Company shall 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.

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

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

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

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

Before the conclusion of the meeting, the number of shares represented by the shareholders present at the meeting reaches a majority of the total number of issued shares, the 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 extemporaneous 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 extemporaneous 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.

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.

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

Except as otherwise provided in the Company Act and the Articles of Association, the resolution shall be passed by a majority vote of the shareholders present at the meeting. At the time of voting, the 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.

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 the spot immediately, including the names of those 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 the elected directors. The minutes shall be retained for the duration of the existence of the Company.

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 and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

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

Article 19: 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 20: The promulgation and amendment of the Rules shall come into force after being passed by the shareholders' meeting. Any matters not provided for herein shall be handled in accordance with the Company Act, the Articles of Incorporation and other relevant laws and regulations.

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

The first amendment was made on May 8, 1998.

The second amendment was made on June 20, 2002.

The third amendment was made on June 13, 2008.

The fourth amendment was made on June 12, 2012.

The fifth amendment was made on June 11, 2015.

The sixth amendment was made on June 13, 2017.

The seventh amendment was made on June 10, 2020.

Appendix III

Information on Directors' Shareholding

Number of shares held by individual directors and all directors recorded in the register of shareholders as of the date of cessation of transfer as of April 12, 2021:

1. The paid-in capital of the Company as of April 12, 2021 was NT\$12,909,636,170 (1,290,963,617 shares).
2. Minimum legal number of shares to be held by all directors: 32,000,000 Shares. (Note)
3. Shares held by all directors:

April 12, 2021

Job Title	Name	Date elected	Term of office	Shares held during election		List of Shareholders Stopping Transfer Recorded shareholding	
				Shares	Shareholding ratio	Shares	Shareholding ratio
Chairperson Director	Run Ying Investment Co., Ltd. Representative: Zheng Zhilong Representative: Fan Huajun	June 10, 2020	Three years	25,612,992	2.20%	28,174,291	2.18%
Director	Zheng Qintian	June 10, 2020	Three years	26,611,304	2.28%	29,275,725	2.27%
Director	Zheng Xiuhui	June 10, 2020	Three years	8,151,512	0.70%	8,966,663	0.69%
Independent director	Hong Xiyao	June 10, 2020	Three years	0	0%	0	0%
Independent director	Li Wencheng	June 10, 2020	Three years	0	0%	0	0%
Independent director	Chen Tachun	June 10, 2020	Three years	20,000	0%	22,000	0%
Total for all directors						66,438,679	5.14%

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%.