

Stock Code: 2538



Kee Tai Properties Co. Ltd.

2021 Annual Meeting of Shareholders

Handbook

June 16, 2021

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**Kee Tai Properties Co. Ltd.**  
**Agenda for the 2021 Regular Shareholders' Meeting**

1. Date: Wednesday, June 16, 2021 at 9:00am
2. Venue: 6F, No. 51, Hengyang Road, Zhongzheng District, Taipei (Vision Hall)
3. Meeting Procedures:
  - 1) Report on shareholding and call the meeting to order.
  - 2) Opening remarks by the chair.
  - 3) Matters to be reported
    1. The Company's 2020 Annual Business Report.
    2. The Audit Committee's review of the Company's 2020 Annual Business Final Statements.
    3. Other matters.
  - 4) Recognition
    1. The Company's 2020 Annual Final Statements.
    2. The Company's surplus distribution for 2020.
  - 5) Extraordinary Motions.
  - 6) Adjournment

# Matters to be Reported

## Motion 1

Content: The Company's 2020 Annual Business Report for review.

Description: The outbreak of COVID-19 in China in 2020 soon became a global pandemic, and countries around the world took measures such as lockdown and home isolation to limit unnecessary outings and travel to curb the spread of the virus. However, these restrictions have drastically dampened the original economic activities, forcing many enterprises to close down and lay off a large number of employees, which in turn led to a rapid rise in unemployment and a sharp economic recession, whose severity was not only far greater than that of the financial crisis of 2007–2008, but also closer to that of the Great Depression.

However, after last year's severe downturn, the global economy is expected to see a strong rebound in output and demand this year. Despite renewed weakness in economic activity due to the current resumption of lockdown orders in major countries, the global economy is poised to begin picking up steam in the second quarter as vaccines are administered on an extended scale and fiscal and monetary policies continue to provide stimulus. By then, the industries most hit by the ban - tourism, accommodation, restaurants, entertainment and so on - will be the biggest beneficiaries of the economic recovery. In addition, global GDP is projected to record the highest growth rate in more than a decade in 2021, underpinned by a low base period effect, and economic activity in the US is predicted to return to its pre-outbreak heyday in the second half of this year. On the other hand, with the European economy in a double-dip recession, it may take until the middle of next year for Europe to fully compensate for lost economic output, even though economic activity is expected to accelerate significantly from the second quarter of this year. At the same time, the Chinese economy has now returned to, and even surpassed, its pre-outbreak growth levels and has continued to show strong growth momentum this year. As a result, China's GDP growth should outperform that of recent years, following the sluggish 2% growth rate recorded last year.

However, thanks to the concerted efforts of the government and the entire population to combat the pandemic, Taiwan has not only succeeded in containing the outbreak, but has also continued to grow economically and against the odds, becoming the focus of the world's attention, with economic growth reaching 2.98% in 2020. Looking ahead to 2021, significant progress has been made in the development of the COVID-19 vaccine, the global economy is

expected to recover, consumption and investment in the nation have regained momentum, and external trade has continued to expand steadily, with real economic growth expected to reach 4.7% in 2021.

However, there are still a number of uncertainties to consider, such as the pace of abatement of the COVID-19 pandemic, the multi-pronged confrontation between the US and China and other geopolitical risks, which will continue to affect the pace of global economic recovery. These, coupled with the stalemate in cross-strait tensions, will affect the development of Taiwan's trade, investment and financial markets, and is a cause for concern.

The Company has been in business for more than 40 years and has experienced many ups and downs in the housing market during this period. In the past few years, the industrial environment has continued to deteriorate and the Company has actively adjusted its business strategy as follows: (1) In response to the market trend, it is gradually reducing the proportion of residential properties and increasing commercial real estate development; (2) To cope with the poor market conditions and to avoid selling at a reduced price, the unsold properties will be rented and sold in parallel, rented first and then sold or rented only, and the Company is actively creating its own channels; (3) For land currently held but not yet developed, the Company will adopt strategies such as selling, expansion, maintenance or construction depending on the potential of the land; (4) Leveraging its professional brand advantages and actively combining with domestic and international brands with good performance to expand its financial and customer sources and enhance its real estate operation and profitability in order to maintain its sustainable competitiveness

The Company will continue to maintain a sound and sustainable business structure and meet the challenges of the market, hoping to achieve better results in 2021 to live up to the support and high expectations of our shareholders.

## I. 2020 Business Report

### 1) Business plan implementation results

Unit: NTD Thousand

Item \ Year	2020	2019	Increase (decrease) in amount	Percentage of change %
Operating revenue	506,739	173,826	332,913	191.52
Operating cost	345,600	78,203	267,397	341.93

Gross profit	161,139	95,623	65,516	68.51
Operating expenses	187,005	198,379	(11,374)	(5.73)
Operating income (loss)	(25,866)	(102,756)	76,890	(74.83)
Non-operating income and expenses	(86,450)	(182,615)	96,165	(52.66)
Profit (loss) before tax	(112,316)	(285,371)	173,055	(60.64)
Tax expense	(13,294)	(5,717)	(7,577)	132.53
Net profit (loss) for the period	(125,610)	(291,088)	165,478	(56.85)
Other comprehensive income for the period	(63,017)	(26,270)	(36,747)	139.88
Total comprehensive income for the period	(188,627)	(317,358)	128,731	(40.56)

Analysis of changes:

1. Increase in operating revenue compared to the previous year: This was mainly due to the increase in the number of units sold during the period compared to the previous period, resulting in an increase in operating revenue for the period.
2. Operating costs increased compared to the previous year: This was mainly due to the increase in the number of units sold during the period compared to the previous period and the corresponding increase in operating costs.
3. Gross profit increased compared to the previous year: This was mainly due to the increase in the number of units sold in the period compared to the previous period, resulting in an increase in gross profit for the period.
4. The decrease in operating expenses compared to the previous year: This was mainly due to the increase in the number of units sold in the current period, which resulted in an increase in related marketing expenses compared to the previous period, but no expected credit loss was recognized this year, leading to a decrease in operating expenses in the current period compared to the previous period.
5. Non-operating income and expenses decreased compared to the previous year: This was mainly due to the increase in exchange losses on foreign currency time deposits held as a result of the continued strong appreciation of the New Taiwan dollar during the period compared to the previous

- period.
6. The increase in tax expense as compared to the previous year: This was mainly due to the increase in income tax payable for the current period and the increase in land value increment tax as a result of the increase in the sale of premises as compared to the previous period.
  7. The decrease in other comprehensive income from the prior year: This was mainly due to the continued appreciation of the New Taiwan dollar against the U.S. dollar during the period, which resulted in a decrease in the exchange differences resulting from translating the financial statements of a foreign operation for the Company's equity-method investments compared to the previous year and an increase in the unrealized valuation loss on equity investment instruments measured at fair value through other comprehensive income for the current period compared to the previous period.

2) Budgetary implementation: None.

3) Analysis of financial income and expenditure and profitability:

Unit: NTD Thousand

Item		2020	2019
Operating revenue		506,739	173,826
Operating cost		345,600	78,203
Non-operating income and expenses		(86,450)	(182,615)
Return on assets (%)		0.02	(0.81)
Return on equity (%)		(1.82)	(3.94)
As a percentage of paid-in capital (%)	Operating income	(0.59)	(2.34)
	Net profit before tax	(2.56)	(6.51)
Profit margin (%)		(24.79)	(167.46)
Earnings per share (NT\$)	Current	(0.32)	(0.68)
	Retroactive	(0.32)	(0.68)

4) Research development status

Residential buildings: In light of the ageing society and the trend of energy saving and carbon reduction, the building materials and equipment are carefully selected, and the planning and design are systematically and unmannedly managed. Commercial buildings: In line with the international trend, the research and development of flexible space and the integration of hardware facilities and operational functions are emphasized. To keep abreast of future real estate trends, we are actively introducing internationally renowned brands, expanding cross-sector resources, and planning forward-looking shared investment products based on the successful experience of REITs to build our innovative competitiveness.

## II. Outline of the FY2021 Business Plan

### 1) Business policy

1. To diversify our financial resources and create value through the development of high quality commercial real estate and prime land.
2. To keep abreast of trends and use diversified strategies such as renting, selling and operating to bring out the advantages of product differentiation.
3. To control costs and cultivate creative and service talents to ensure competitiveness.
4. To build up brands, improve quality through planning, provide services beyond the contract and create added value.

### 2) Business objectives

The Company's completed property projects, such as "Kee Tai Chung Hsiao," "Kee Tai NTU," "Kee Tai World Trade" and "Kee Tai Tudor Rose" will continue to contribute to revenue through a combination of rental and sales. The "Kee Tai CK" project is under construction and the "Kee Tai Sulfur Creek" project is also underway as scheduled. The projects that have yet to be built, such as "Kee Tai Daan," "Kee Tai Bihu" and "Kee Tai Da Zhi," which have already obtained their construction licenses, are all located in prime locations in Taipei and will be subject to market conditions for land maintenance, land expansion, land sale or construction.

### 3) Important production and marketing policies

1. To develop healthy, environmentally friendly, energy efficient, user-friendly

- and trendy residential, office and commercial buildings.
2. To implement industrialized, standardized and technological engineering quality control policies to meet customer expectations.
  3. To strengthen the concept of comprehensive customer service and revitalize the "Friends of Kee Tai" channel and business platform.
  4. To apply the spirit of development-oriented REITs to create a win-win-win situation for landowners, shareholders and homebuyers.

Our Company has been around for more than four decades, and all our staff have always adhered to the business philosophy of "professionalism, integrity and lifelong companionship," with the aim of creating maximum reward and value for our shareholders.

Best wishes to all shareholders for good health and all the best

Chairman: Chen Shih-ming

President: Feng Hsien-mien

Accounting Officer: Lin Chia-cheng

## Motion 2

Content: The Audit Committee's review of the Company's 2020 Annual Business Final Statements for review.

### Description:

1. The Company's parent company only and consolidated financial statements for 2020 have been audited and certified, with an audit report issued by a CPA, together with the Business Report and the Motion for Distribution of Earnings, which have all been audited by the Audit Committee, with an audit report presented. The CPA audit report is set out on pages 11 to 21.
2. The Audit Committee is urged to read out the Audit Report.

Kee Tai Properties Co., Ltd.  
Audit Committee Review Report

The Board of Directors of the Company has prepared the business reports and financial statements of the Company for the year ended December 31, 2020, which have been audited by Lin Su-wen and Huang Jian-ze from the Ernst & Young Global Limited. The above-mentioned reports and statements have been audited by the Audit Committee and found to be in conformity with the requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To the Company's 2021 Annual Shareholders Meeting,

Audit Committee Convener: Huang Wei-zhou

March 25, 2021

Kee Tai Properties Co., Ltd.  
Audit Committee Review Report

The earning distribution for the year 2020 prepared by the bBoard of Directors have been audited by the Audit Committee and found to be in conformity with the requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To the Company's 2021 Annual Shareholders Meeting,

Audit Committee Convener: Huang Wei-zhou

May 6, 2021

English Translation of Auditors' Report Originally Issued in Chinese

**Report of Independent Auditors**

To Kee Tai Properties Co., Ltd.

**Opinion**

We have audited the accompanying consolidated balance sheets of Kee Tai Properties Co., Ltd. and its subsidiaries (the “Company” and its subsidiaries) as of December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, and notes to the consolidated financial statements including the summary of significant accounting policies (collectively referred to “the consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2020 and 2019, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

**Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2020 consolidated financial statements. 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.

### Assessment on Collectability of Long-term Accounts Receivable

As of December 31, 2020, the long-term accounts receivable of the Company and its subsidiaries amounted to NTD 224,302 thousand, which accounted for 1% of the consolidated total assets. Since the assessment on the collectability of long-term accounts receivable is subject to management's judgement and the accounting estimations would have significant influence over the balance of the long-term accounts receivable, we considered this a key audit matter.

For the assessment on the collectability of long-term accounts receivable, we have conducted audit procedures including but not limited to understanding management's procedures with regard to the assessment of the collectivity of long-term accounts receivable, obtaining related evaluation documentation to review its preservation measures; assessing if the collaterals obtained are sufficient in order to verify the appropriateness of management's assessment over the collectability and the loss allowance. We also considered the appropriateness of the relevant disclosure in respect of preserving long-term accounts receivable in Note 6 of the consolidated financial statements.

### Valuation of Inventories

The inventories of the Company and its subsidiaries consist principally of land held for construction site, construction in progress, and land and buildings held for sale. As of December 31, 2020, the net amount of the inventories was NTD 12,246,475 thousand, which accounted for 59% of the consolidated total assets and was considered material to the consolidated financial statements. In addition, the real estate development is subject to political influence, property tax system reforms and market prospect, which added to the difficulties and risks in management's assessment over the value of the inventories. As the valuation of inventories had significant impact on the consolidated financial statements, we considered this a key audit matter.

For the valuation of inventories, we have conducted audit procedures including but not limited to evaluating the appropriateness of the accounting policies with respect to inventory valuation, obtaining the appraisal reports concerning net realizable value of inventories and analysis of the return of construction projects, evaluating the objectivity of professional organizations who issued the aforementioned appraisal reports and the appropriateness of the key assumptions and inputs in the appraisal reports with support from internal specialists. In addition, we analyzed the appropriateness of the loss allowance recognized with reference to the most recent closing price and transaction price of similar construction projects in nearby areas (including public information from the Department of Land Administration, Ministry of Interior and real estate agents). We also considered the appropriateness of the disclosure in respect of valuation of inventories and relevant disclosure in Notes 5 and 6 of the consolidated financial statements.

#### **Other Matter – Making Reference to the Audits of Component Auditors**

We did not audit the financial statements of certain investments accounted for using equity method whose statements are based solely on the reports of other auditors. These investments accounted for using equity method amounted to NTD 668,032 thousand and NTD 693,275 thousand, representing 3% and 3% of consolidated total assets as of December 31, 2020 and 2019, respectively. The related shares of profit (loss) of the associates and joint ventures accounted for using equity method amounted to NTD 5,857 thousand and NTD 476 thousand, representing 5% and 0% of the consolidated net income before tax for the years ended December 31, 2020 and 2019, respectively, and the related shares of other comprehensive income of the associates and joint ventures accounted for using equity method amounted to NTD (37,100) thousand and NTD (9,749) thousand, representing 59% and 37% of the consolidated other comprehensive income for the years ended December 31, 2020 and 2019, respectively.

#### **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 the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

### **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 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 internal control of the Company and its subsidiaries.
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 ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, 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 Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 2020 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

## **Others**

We have audited and expressed an unqualified opinion with other matter paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2020 and 2019.

Lin, Su-Wen

Huang, Chien-Che

Ernst & Young, Taiwan  
March 25, 2021

Taipei, Taiwan  
Republic of China

### Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Auditors' Report Originally Issued in Chinese

**Report of Independent Auditors**

To KEE TAI PROPERTIES CO., LTD.

**Opinion**

We have audited the accompanying parent company only balance sheets of Kee Tai Properties Co., Ltd. (the “Company”) as of December 31, 2020 and 2019, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, and notes to the parent company only financial statements including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and financial performance and its cash flows for the years ended December 31, 2020 and 2019, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2020 parent company only financial statements. 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.

### Assessment on Collectability of Long-term Accounts Receivable

As of December 31, 2020, the long-term accounts receivable of the Company amounted to NTD 224,302 thousand, which accounted for 2% of the parent company only total assets. Since the assessment on the collectability of long-term accounts receivable is subject to management's judgement and the accounting estimations would have significant influence over the balance of the long-term accounts receivable, we considered this a key audit matter.

For the assessment on the collectability of long-term accounts receivable, we have conducted audit procedures including but not limited to understanding management's procedures with regard to the assessment of the collectivity of long-term accounts receivable, obtaining related evaluation documentation to review its preservation measures; assessing if the collaterals obtained are sufficient in order to verify the appropriateness of management's assessment over the collectability and the loss allowance. We also considered the appropriateness of the relevant disclosure in respect of preserving long-term accounts receivable in Note 6 of the parent company only financial statements.

### Valuation of Inventories

The inventories of Company consist principally of land held for construction site, construction in progress, and land and buildings held for sale. As of December 31, 2020, the net amount of the inventories was NTD 6,842,463 thousand, which accounted for 56% of the parent company only total assets and was considered material to the parent company only financial statements. In addition, the real estate development is subject to political influence, property tax system reforms and market prospect, which added to the difficulties and risks in management's assessment over the value of the inventories. As the valuation of inventories had significant impact on the parent company only financial statements, we considered this a key audit matter.

For the valuation of inventories, we have conducted audit procedures including but not limited to evaluating the appropriateness of the accounting policies with respect to inventory valuation, obtaining the appraisal reports concerning net realizable value of inventories and analysis of the return of construction projects, evaluating the objectivity of professional organizations who issued the aforementioned appraisal reports and the appropriateness of the key assumptions and inputs in the appraisal reports with support from internal specialists. In addition, we analyzed the appropriateness of the loss allowance recognized with reference to the most recent closing price and transaction price of similar construction projects in nearby areas (including public information from the Department of Land Administration, Ministry of Interior and real estate agents). We also considered the appropriateness of the disclosure in respect of valuation of inventories and relevant disclosure in Notes 5 and 6 of the parent company only financial statements.

## **Other Matter – Making Reference to the Audits of Component Auditors**

We did not audit the financial statements of certain investments accounted for using equity method whose statements are based solely on the reports of other auditors. These investments accounted for using equity method amounted to NTD 668,032 thousand and NTD 693,275 thousand, representing 5% and 5% of the parent company only total assets as of December 31, 2020 and 2019, respectively. The related shares of profit (loss) of the associates and joint ventures accounted for using equity method amounted to NTD 5,857 thousand and NTD 476 thousand, representing 4% and 0% of the parent company only net income before tax for the years ended December 31, 2020 and 2019, respectively, and the related shares of other comprehensive income of the associates and joint ventures accounted for using equity method amounted to NTD (37,100) thousand and NTD (9,749) thousand, representing 59% and 37% of the parent company only other comprehensive income for the years ended December 31, 2020 and 2019, respectively.

## **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 the requirements of the 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 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 ability to continue as a going concern of the Company, 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 audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

## **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 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 internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 accompanying notes, and whether the parent company only 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 Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group 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 2020 the parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Lin, Su-Wen

Huang, Chien-Che

Ernst & Young, Taiwan

March 25, 2021

Taipei, Taiwan

Republic of China

Notice to Readers

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

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### Motion 3

Content: Other reports

Description: Description of the shareholders' proposal at the shareholders' meeting:

1. In accordance with Article 172-1 of the Company Act, shareholders holding 1% or more of the Company's outstanding shares may submit a proposal in writing to the Company for a regular shareholders' meeting, subject to a limit of one proposal and 300 words.
2. Applications for shareholders' proposals were accepted at the Company's annual general meeting this year for the period from March 30, 2021 to April 9, 2021 and were announced on the Market Observation Post System in accordance with the law.
3. The Company has not received any shareholder proposals.

# Recognition

Motion 1 by the Board of Directors

Content: The Company's 2020 Annual Final Statements for recognition.

Description:

1. The financial statements of the Company for FY2020, including the business report and financial statements, have been approved by the 8th meeting of the 17th term of the board of directors on March 25, 2021 and were submitted to the audit committee for auditing.
2. Please refer to pages 24-33 for the various forms in this motion for recognition.

Resolution:

English translation of consolidated financial statements originally issued in Chinese  
 KEE TAI PROPERTIES CO., LTD. AND SUBSIDIARIES  
 CONSOLIDATED BALANCE SHEETS  
 December 31, 2020 and December 31, 2019  
 (Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2020		As of		December 31, 2019	
				%		%	
<b>Current assets</b>							
Cash and cash equivalents	4,6	\$271,662	1		\$124,389	1	
Current financial assets at fair value through profit or loss	4,6	53,709	-		72,252	-	
Current financial assets at amortised cost	4,6,8	2,736,599	14		2,883,335	15	
Notes receivable, net	6	43,062	-		17,842	-	
Accounts receivable, net	4,6	5,115	-		21,060	-	
Inventories	4,6,8	12,246,475	59		11,342,169	56	
Other current assets	6	293,727	1		457,998	2	
Total current assets		15,650,349	75		14,919,045	74	
<b>Non-current assets</b>							
Non-current financial assets at fair value through profit or loss		-	-		144,604	1	
Non-current financial assets at fair value through other comprehensive income	4,6	232,112	1		258,190	1	
Investments accounted for using equity method	4,6	668,032	3		693,275	3	
Property, plant and equipment	4,6	557	-		570	-	
Right-of-use assets	4,6	15,686	-		24,270	-	
Investment property, net	4,6,8	3,939,084	19		3,966,452	20	
Other non-current assets, others	6,7	311,922	2		100,015	1	
Total non-current assets		5,167,393	25		5,187,376	26	
<b>Total assets</b>		<b>\$20,817,742</b>	<b>100</b>		<b>\$20,106,421</b>	<b>100</b>	

The accompanying notes are an integral part of consolidated financial statements.

English translation of consolidated financial statements originally issued in Chinese  
 KEE TAI PROPERTIES CO., LTD. AND SUBSIDIARIES  
 CONSOLIDATED BALANCE SHEETS (CONTINUED)  
 December 31, 2020 and December 31, 2019  
 (Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of			
		December 31, 2020	%	December 31, 2019	%
Current liabilities					
Current borrowings	4,6	\$6,669,000	32	\$6,346,000	32
Short-term notes and bills payable	4,6	1,828,289	9	1,539,192	8
Current contract liabilities	4,6,7	853,128	4	806,754	4
Notes payable		5,577	-	3,444	-
Accounts payable		1,323,436	6	785,861	4
Other payables	4	143,002	1	175,816	1
Current tax liabilities	4	6,293	-	1,755	-
Current lease liabilities	4	8,558	-	8,350	-
Advance receipts	4,6,7	171,503	1	172,884	1
Other current liabilities, others	6	74,633	-	73,997	-
Total current liabilities		11,083,419	53	9,914,053	50
Non-current liabilities					
Non-current portion of non-current borrowings	4,6	2,980,000	15	3,020,000	15
Non-current lease liabilities	4,6	7,762	-	16,474	-
Net defined benefit liability, non-current	4,6	18,465	-	24,995	-
Other non-current liabilities, others		43,570	-	38,521	-
Total non-current liabilities		3,049,797	15	3,099,990	15
Total liabilities		14,133,216	68	13,014,043	65
Equity attributable to owners of parent					
Share capital	4,6	4,384,488	21	4,384,488	22
Ordinary share		58,479	-	58,479	-
Capital surplus					
Retained earnings					
Legal reserve		821,261	4	821,261	4
Unappropriated retained earnings		1,052,858	5	1,433,077	7
Total retained earnings		1,874,119	9	2,254,338	11
Total other equity interest		(27,135)	-	13,296	-
Total equity attributable to owners of parent		6,289,951	30	6,710,601	33
Non-controlling interests	4,6	394,575	2	381,777	2
Total equity		6,684,526	32	7,092,378	35
Total liabilities and equity		\$20,817,742	100	\$20,106,421	100

The accompanying notes are an integral part of consolidated financial statements.

English translation of consolidated financial statements originally issued in Chinese  
 KEE TAI PROPERTIES CO., LTD. AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 For the years ended December 31, 2020 and 2019  
 (Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	For the years ended	
		December 31, 2020	December 31, 2019
Operating revenue	4,6	\$506,739	\$173,826
Operating costs	6	(345,600)	(78,203)
Gross profit from operations		161,139	95,623
Operating expenses	4,6,7		
Selling expenses		(58,776)	(24,410)
Administrative expenses		(128,229)	(109,540)
Impairment loss determined in accordance with IFRS 9		-	(64,429)
Total operating expenses		(187,005)	(198,379)
Net operating loss		(25,866)	(102,756)
Non-operating income and expenses			
Interest income	4,6	67,648	87,313
Other income		98,604	157,528
Other gains and losses, net		(143,397)	(95,130)
Finance costs, net		(115,162)	(115,471)
Share of profit (loss) of associates and joint ventures accounted for using equity method, net		5,857	476
Impairment loss determined in accordance with IFRS 9		-	(217,331)
Total non-operating income and expenses		(86,450)	(182,615)
Loss before tax		(112,316)	(285,371)
Total tax expense	4,6	(13,294)	(5,717)
Loss		(125,610)	(291,088)
Other comprehensive income	4,6		
Components of other comprehensive income that will not be reclassified to profit or loss:			
Gains (losses) on remeasurements of defined benefit plans		161	340
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		(26,078)	(16,861)
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 be reclassified to profit or loss:			
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(37,100)	(9,749)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		-	-
Total other comprehensive income		(63,017)	(26,270)
Total comprehensive income		\$(188,627)	\$(317,358)
Loss, attributable to:			
Loss, attributable to owners of parent		\$(138,408)	\$(296,692)
Loss, attributable to non-controlling interests		12,798	5,604
Total		\$(125,610)	\$(291,088)
Comprehensive income attributable to:			
Comprehensive income, attributable to owners of parent		\$(201,425)	\$(322,962)
Comprehensive income, attributable to non-controlling interests		12,798	5,604
Total		\$(188,627)	\$(317,358)
Earnings per share (in dollars)	6		
Basic loss per share		\$(0.32)	\$(0.68)

The accompanying notes are an integral part of consolidated financial statements.

English translation of consolidated financial statements originally issued in Chinese

KEE TAI PROPERTIES CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Item	Equity attributable to owners of parent							Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Retained earnings			Other equity interest						
	Share capital	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income				
Balance on January 1, 2019	\$4,384,488	\$58,479	\$816,732	\$1,997,420	\$26,191	\$13,322	\$7,296,632	\$376,173	\$7,672,805	
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	4,529	(4,529)	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	(263,069)	-	-	(263,069)	-	(263,069)	
Loss for the year ended December 31, 2019	-	-	-	(296,692)	-	-	(296,692)	5,604	(291,088)	
Other comprehensive income for the year ended December 31, 2019	-	-	-	340	(9,749)	(16,861)	(26,270)	-	(26,270)	
Total comprehensive income for the year ended December 31, 2019	-	-	-	(296,352)	(9,749)	(16,861)	(322,962)	5,604	(317,358)	
Others	-	-	-	(393)	-	393	-	-	-	
Balance on December 31, 2019	\$4,384,488	\$58,479	\$821,261	\$1,433,077	\$16,442	\$(3,146)	\$6,710,601	\$381,777	\$7,092,378	
Balance on January 1, 2020	\$4,384,488	\$58,479	\$821,261	\$1,433,077	\$16,442	\$(3,146)	\$6,710,601	\$381,777	\$7,092,378	
Appropriation and distribution of retained earnings:										
Cash dividends of ordinary share	-	-	-	(219,225)	-	-	(219,225)	-	(219,225)	
Loss for the year ended December 31, 2020	-	-	-	(138,408)	-	-	(138,408)	12,798	(125,610)	
Other comprehensive income for the year ended December 31, 2020	-	-	-	161	(37,100)	(26,078)	(63,017)	-	(63,017)	
Total comprehensive income for the year ended December 31, 2020	-	-	-	(138,247)	(37,100)	(26,078)	(201,425)	12,798	(188,627)	
Others	-	-	-	(22,747)	-	22,747	-	-	-	
Balance on December 31, 2020	\$4,384,488	\$58,479	\$821,261	\$1,052,858	\$(20,658)	\$(6,477)	\$6,289,951	\$394,575	\$6,684,526	

The accompanying notes are an integral part of consolidated financial statements.

English translation of consolidated financial statements originally issued in Chinese  
 KEE TAI PROPERTIES CO., LTD. AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF CASH FLOWS  
 For the years ended December 31, 2020 and 2019  
 (Expressed in Thousands of New Taiwan Dollars)

Item	For the years ended	
	December 31, 2020	December 31, 2019
Cash flows from (used in) operating activities:		
Loss before tax	\$(112,316)	\$(285,371)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	35,965	36,366
Expected credit loss	-	281,760
Loss on financial assets or liabilities at fair value through profit or loss	445	66
Interest expense	115,162	115,471
Interest income	(67,648)	(87,313)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(5,857)	(476)
Gain (loss) on disposal of investments	(250)	-
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	20,200	(19,415)
Decrease (increase) in notes receivable	15,780	(16,543)
Decrease (increase) in accounts receivable	2,095	(2,141)
Decrease (increase) in inventories	(853,881)	(754,727)
Decrease (increase) in other current assets	20,433	136,435
Increase (decrease) in contract liabilities	46,374	5,028
Increase (decrease) in notes payable	2,133	1,687
Increase (decrease) in accounts payable	537,575	(37,602)
Increase (decrease) in other payables	(24,027)	638
Increase (decrease) in advance receipts	(1,381)	1,524
Increase (decrease) in other current liabilities, others	636	59,872
Increase (decrease) in net defined benefit liability	(6,369)	203
Cash inflow (outflow) generated from operations:	(274,931)	(564,538)
Interest received	25,599	26,594
Income taxes paid	(2,534)	(3,958)
Net cash flows from (used in) operating activities	(251,866)	(541,902)
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	194
Acquisition of financial assets at amortised cost	-	(183,586)
Proceeds from disposal of financial assets at amortised cost	146,736	-
Acquisition of investments accounted for using equity method	(6,000)	(6,000)
Decrease (increase) in other non-current assets, others	12,395	40,174
Interest received	59,665	58,959
Net cash flows from (used in) investing activities	212,796	(90,259)
Cash flows from (used in) financing activities:		
Increase in short-term loans	323,000	446,000
Increase in short-term notes and bills payable	288,700	679,900
Repayments of long-term debt	(40,000)	(40,000)
Repayments of lease liabilities	(8,847)	(8,779)
Increase in other non-current liabilities, others	5,049	5,103
Cash dividends paid	(219,225)	(263,069)
Interests paid (including capitalized interests)	(162,334)	(162,386)
Net cash flows from (used in) financing activities	186,343	656,769
Net increase (decrease) in cash and cash equivalents	147,273	24,608
Cash and cash equivalents at the beginning of period	124,389	99,781
Cash and cash equivalents at the end of period	\$271,662	\$124,389

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 KEE TAI PROPERTIES CO., LTD. AND SUBSIDIARIES  
 PARENT COMPANY ONLY BALANCE SHEETS  
 December 31, 2020 and December 31, 2019  
 (Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of			
		December 31, 2020	%	December 31, 2019	%
Current assets					
Cash and cash equivalents	4,6	\$118,870	1	\$16,521	-
Current financial assets at fair value through profit or loss	4,6	23,313	-	72,252	1
Current financial assets at amortised cost	4,6,8	2,352,793	20	2,484,843	19
Notes receivable, net	6	43,062	-	17,842	-
Accounts receivable, net	4,6	5,115	-	21,334	-
Other receivables due from related parties	7	18,873	-	868,751	6
Inventories	4,6,8	6,842,463	56	6,783,380	51
Other current assets	4,6	156,276	1	308,414	2
Total current assets		9,560,765	78	10,573,337	79
Non-current assets					
Non-current financial assets at fair value through profit or loss		-	-	144,604	1
Non-current financial assets at fair value through other comprehensive income	4,6	232,112	2	258,190	2
Investments accounted for using equity method	4,6	1,939,799	16	2,078,677	16
Property, plant and equipment	4,6	557	-	570	-
Right-of-use assets	4,6	13,963	-	22,115	-
Investment property, net	4,6,8	118,315	1	119,448	1
Other non-current assets, others	6,7	311,800	3	94,971	1
Total non-current assets		2,616,546	22	2,718,575	21
Total assets		\$12,177,311	100	\$13,291,912	100

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English translation of parent company only financial statements originally issued in Chinese  
 KEE TAI PROPERTIES CO., LTD. AND SUBSIDIARIES  
 PARENT COMPANY ONLY BALANCE SHEETS (CONTINUED)  
 December 31, 2020 and December 31, 2019  
 (Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of				
		December 31, 2020	December 31, 2019			
Current liabilities						
Current borrowings	4,6	\$2,659,000		22	\$3,504,000	27
Short-term notes and bills payable	4,6	1,555,789		13	1,339,172	10
Current contract liabilities	4,6	123,485		1	63,007	1
Notes payable		4,484		-	1,314	-
Accounts payable		480,537		4	579,002	4
Other payables		97,743		1	126,251	1
Other payables to related parties	7	683,228		5	671,038	5
Current lease liabilities	4,6	8,132		-	7,929	-
Advance receipts		171,622		1	173,003	1
Other current liabilities, others	6	74,116		1	72,014	1
Total current liabilities		5,858,136		48	6,536,730	50
Non-current liabilities						
Non-current lease liabilities	4,6	6,455		-	14,741	-
Net defined benefit liability, non-current	4,6	18,465		-	24,995	-
Other non-current liabilities, others		4,304		-	4,845	-
Total non-current liabilities		29,224		-	44,581	-
Total liabilities		5,887,360		48	6,581,311	50
Equity attributable to owners of parent						
Share capital	4,6					
Ordinary share		4,384,488		36	4,384,488	33
Capital surplus		58,479		-	58,479	-
Retained earnings						
Legal reserve		821,261		7	821,261	6
Unappropriated retained earnings		1,052,858		9	1,433,077	11
Total retained earnings		1,874,119		16	2,254,338	17
Total other equity interest		(27,135)		-	13,296	-
Total equity		6,289,951		52	6,710,601	50
Total liabilities and equity		\$12,177,311		100	\$13,291,912	100

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 KEE TAI PROPERTIES CO., LTD. AND SUBSIDIARIES

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2020 and 2019

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

Item	Notes	For the years ended		
		December 31, 2020	December 31, 2019	%
Operating revenue	4,6	\$381,897	\$62,842	100
Operating costs	4,6	(304,161)	(35,706)	(80)
Gross profit from operations		77,736	27,136	43
Operating expenses	4,6,7			
Selling expenses		(58,776)	(24,402)	(39)
Administrative expenses		(101,092)	(98,105)	(156)
Impairment loss determined in accordance with IFRS 9		-	(64,429)	(102)
Total operating expenses		(159,868)	(186,936)	(297)
Net operating loss		(82,132)	(159,800)	(254)
Non-operating income and expenses	4,6,7			
Interest income		62,313	92,483	147
Other income		98,601	157,524	251
Other gains and losses, net		(123,909)	(83,522)	(133)
Finance costs, net		(39,909)	(49,019)	(78)
Share of profit (loss) of associates and joint ventures accounted for using equity method, net		(47,778)	(34,604)	(55)
Impairment loss determined in accordance with IFRS 9		-	(217,331)	(346)
Total non-operating income and expenses		(50,682)	(134,469)	(214)
Loss before tax		(132,814)	(294,269)	(468)
Total tax expense	4,6	(5,594)	(2,423)	(4)
Loss		(138,408)	(296,692)	(472)
Other comprehensive income	4,6			
Components of other comprehensive income that will not be reclassified to profit or loss:				
Gains (losses) on remeasurements of defined benefit plans		161	340	1
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		(26,078)	(16,861)	(27)
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 be reclassified to profit or loss:				
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(37,100)	(9,749)	(16)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		-	-	-
Total other comprehensive income		(63,017)	(26,270)	(42)
Total comprehensive income		\$(201,425)	\$(322,962)	(514)
Earnings per share (in dollars)	6			
Basic loss per share		\$(0.32)	\$(0.68)	

The accompanying notes are an integral part of parent company only financial statements.

English translation of parent company only financial statements originally issued in Chinese

KEE TAI PROPERTIES CO., LTD. AND SUBSIDIARIES

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Item	Equity attributable to owners of parent						Total equity
	Share capital	Capital surplus	Retained earnings	Other equity interest	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income		
Balance on January 1, 2019	\$4,384,488	\$58,479	\$816,732	\$1,997,420	\$26,191	\$13,322	\$7,296,632
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	4,529	(4,529)	-	-	-
Cash dividends of ordinary share	-	-	-	(263,069)	-	-	(263,069)
Loss for the year ended December 31, 2019	-	-	-	(296,692)	-	-	(296,692)
Other comprehensive income for the year ended December 31, 2019	-	-	-	340	(9,749)	(16,861)	(26,270)
Total comprehensive income for the year ended December 31, 2019	-	-	-	(296,352)	(9,749)	(16,861)	(322,962)
Others	-	-	-	(393)	-	393	-
Balance on December 31, 2019	\$4,384,488	\$58,479	\$821,261	\$1,433,077	\$16,442	\$(3,146)	\$6,710,601
Balance on January 1, 2020	\$4,384,488	\$58,479	\$821,261	\$1,433,077	\$16,442	\$(3,146)	\$6,710,601
Appropriation and distribution of retained earnings:							
Cash dividends of ordinary share	-	-	-	(219,225)	-	-	(219,225)
Loss for the year ended December 31, 2020	-	-	-	(138,408)	-	-	(138,408)
Other comprehensive income for the year ended December 31, 2020	-	-	-	161	(37,100)	(26,078)	(63,017)
Total comprehensive income for the year ended December 31, 2020	-	-	-	(138,247)	(37,100)	(26,078)	(201,425)
Others	-	-	-	(22,747)	-	22,747	-
Balance on December 31, 2020	\$4,384,488	\$58,479	\$821,261	\$1,052,858	\$(20,658)	\$(6,477)	\$6,289,951

The accompanying notes are an integral part of parent company only financial statements.

English translation of parent company only financial statements originally issued in Chinese

KEE TAI PROPERTIES CO., LTD. AND SUBSIDIARIES  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
For the years ended December 31, 2020 and 2019  
(Expressed in Thousands of New Taiwan Dollars)

Item	For the years ended	
	December 31, 2020	December 31, 2019
Cash flows from (used in) operating activities:		
Loss before tax	\$(132,814)	\$(294,269)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	9,298	10,129
Expected credit loss	-	281,760
Loss on financial assets or liabilities at fair value through profit or loss	595	1,740
Interest expense	39,909	49,019
Interest income	(62,313)	(92,483)
Share of loss (profit) of associates and joint ventures accounted for using equity method	47,778	34,604
Gain (loss) on disposal of investments	42	-
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	50,154	(48,848)
Decrease (increase) in notes receivable	15,780	(15,133)
Decrease (increase) in accounts receivable	2,369	(2,415)
Decrease (increase) in other receivable due from related parties	849,878	(19,651)
Decrease (increase) in inventories	(38,840)	(52,204)
Decrease (increase) in other current assets	10,385	198,563
Increase (decrease) in contract liabilities	60,478	44,065
Increase (decrease) in notes payable	3,170	(443)
Increase (decrease) in accounts payable	(98,465)	(152,683)
Increase (decrease) in other payables	(123,855)	(41,525)
Increase (decrease) in advance receipts	(1,381)	1,524
Increase (decrease) in other current liabilities, others	2,102	60,321
Increase (decrease) in net defined benefit liability	(6,369)	203
Cash inflow (outflow) generated from operations:	627,901	(37,726)
Interest received	18,632	31,022
Income taxes paid	174	(275)
Net cash flows from (used in) operating activities	646,707	(6,979)
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	194
Acquisition of financial assets at amortised cost	-	(189,480)
Proceeds from disposal of financial assets at amortised cost	132,050	-
Acquisition of investments accounted for using equity method	(6,000)	(66,000)
Proceeds from capital reduction of investments accounted for using equity method	60,000	-
Decrease (increase) in other non-current assets, others	7,473	34,660
Interest received	59,665	59,958
Net cash flows from (used in) investing activities	253,188	(160,668)
Cash flows from (used in) financing activities:		
Increase in short-term loans	(845,000)	(62,000)
Increase in short-term notes and bills payable	216,400	504,600
Decrease (increase) in other receivable due from related parties	108,000	-
Repayments of lease liabilities	(8,403)	(8,779)
Decrease (increase) in other non-current liabilities, others	(541)	(454)
Cash dividends paid	(219,225)	(263,069)
Interest paid (including capitalized interests)	(48,777)	(58,319)
Net cash flows from (used in) financing activities	(797,546)	111,979
Net increase (decrease) in cash and cash equivalents	102,349	(55,668)
Cash and cash equivalents at the beginning of period	16,521	72,189
Cash and cash equivalents at the end of period	\$118,870	\$16,521

The accompanying notes are an integral part of parent company only financial statements.

## Motion 1 by the Board of Directors

Content: The Company's 2020 surplus distribution for recognition.

### Description:

1. The distribution of earnings for 2020 has been approved by the 9th meeting of the 17th term of the board of directors on May 6, 2021.
2. The board of directors is authorized to set a separate ex-dividend date for the allotment of cash dividends upon resolution of the shareholders' meeting. However, if there is a need to adjust the dividend payout ratio due to changes in laws and regulations, approval by the competent authorities or repurchase of treasury shares, cancellation of treasury shares, transfer of treasury shares to employees, etc., which affect the number of outstanding shares, it is intended that the board of directors shall authorize the chairman to handle the relevant matters and adjust the dividend payout ratio based on the actual number of outstanding shares.
3. The ex-dividend date of such cash dividends shall be separately determined by the chairman as authorized by the board of directors after the resolution of the shareholders' meeting for distribution.

4. Please refer to the Profit Distribution Table as follows:

Kee Tai Properties Co  
PROFIT DISTRIBUTION TABLE

Unit: NT\$

Item	Amount
Beginning retained earnings	1,213,852,689
Add (Less):	
Change in actuarial gain or loss on defined benefit plans for the year	161,001 (22,747,500)
Disposals during the year measured at fair value through other comprehensive income	
Amount transferred to retained earnings	
Net loss after tax for fiscal 2020	(138,408,362)
Set aside:	
Less: Special reserve (Note 1)	(27,134,326)
Distributable earnings	1,025,723,502
Distribution of earnings	
Less: Distributed items	
Dividends and bonuses to shareholders - cash (NT\$0.5 per share)	(219,224,382)
Unappropriated retained earnings	806,499,120

Note 1: Special reserve is set aside for other net equity deductions (e.g., exchange differences on translation of financial statements of foreign operating institutions and gains or losses on valuation of financial assets at fair value through other comprehensive income) as required by law.

Note 2: The cash dividends are calculated on a pro rata basis and rounded off to the nearest dollar, and the total amount of the deficiency of less than one dollar is included in other income of the Company.

Chairman: Chen Shih-ming      Manager: Feng Hsien-mien      Accounting Officer: Lin Chia-cheng

Resolution:

Questions and Motions

Adjournment

# **Kee Tai Properties Co Article of Incorporation**

## **Chapter 1 General Rules**

Article 1: The Company is organized in accordance with the provisions of the Company Act and is named as Kee Tai Properties Co.

Article 2: Business Scope:

- 1.H701010 Residential and building development for lease and sale
- 2.H701020 Industrial factory development, leasing and sales
- 3.H701030 funeral home development, rental and sale
- 4.H701040 Development of specific professional areas
- 5.H701060 New towns, new community development
- 6.H701070 Area levy and city rezoning agency
- 7.H701080 Urban renewal
- 8.H703100 Real estate leasing
- 9.HZ02010 financial institutions money debt collection
- 10.HZ02020 Financial institutions to evaluate or auction money debts.
- 11.G202010 Car park operation.
- 12.I103060 Management consulting business.
- 13.J101040 Waste disposal business.
- 14.J101990 Other environmental health and pollution prevention services (waste disposal)
- 15.JB01010 Conference and exhibition services
- 16.ZZ9999 In addition to the permitted business, may operate the law does not prohibit or restrict the business.

Article 3: The Company is headquartered in Taipei City, and may establish domestic and foreign branches when necessary by resolution of the Board of Directors.

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

## **Chapter 2 Shares**

Article 5: The total capital of the Company is set at NT\$5 billion, divided into 500 million shares of NT\$10 each, all in registered form, of which the unissued shares are authorized to be issued by the Board of Directors in installments. Within the former capital stock, NT\$100 million is reserved for employee stock options, totaling 10 million shares, which are authorized to be issued by the board of directors in installments.

Article 6: The shares of the Company shall be in registered form, signed or sealed and numbered by the directors on behalf of the Company, and shall be issued by the competent authority or its approved issuing registrar in accordance with the law.

The shares issued by the Company are exempt from printing, but should be registered with a centralized securities depository.

Article 7: The transfer of shares shall cease within 60 days prior to the date of each regular shareholders' meeting, within 30 days prior to the date of an extraordinary shareholders' meeting, or within five days prior to the date on which the Company decides to distribute dividends, bonuses and other benefits. Except as otherwise provided by laws and

regulations and securities regulations, the shareholders of the Company shall follow the "Rules Governing the Handling of Shares of Publicly Traded Companies" when transferring shares, creating pledges of rights, losing, inheriting, making gifts, changing the seal or changing the address, and exercising all their rights.

### **Chapter 3 Shareholders' Meeting**

Article 8: The Company has two types of shareholders' meetings: regular meetings and ad hoc meetings. Regular meetings are held once a year, within six months after the end of each fiscal year, and shareholders are notified 30 days in advance; ad hoc meetings are called when necessary and shareholders are notified 15 days in advance.

The preceding notice shall state the date, place and reason for the meeting.

Unless otherwise provided in the Company Act, the board of directors shall convene the shareholders' meeting.

Article 9: If a shareholder is unable to attend a shareholders' meeting for any reason, he or she may, in accordance with Article 177 of the Company Act, issue a proxy form issued by the Company, stating the scope of authority, and sign and seal it to appoint a proxy to attend the shareholders' meeting. Except for trust business, if one person is appointed by more than two shareholders at the same time, the portion of the proxy's voting rights that exceeds 3% of the total voting rights of the issued shares shall not be counted. If more than one person represents a corporate shareholder, the exercise of voting rights shall be calculated on the basis of the shares held by that person.

The aforementioned proxy shall be delivered to the Company five days prior to the shareholders' meeting, and in case of duplication, the first to be delivered shall prevail, except for the revocation of the previous proxy.

Article 10: Each shareholder of the Company shall have one vote per share, except in the case of Article 179 of the Company Act.

Article 11: Except as otherwise provided in the Company Law, a resolution at a shareholders' meeting shall be made with the presence of shareholders representing a majority of the total number of outstanding shares, and shall be carried out with the consent of a majority of the votes of the shareholders present. The Company may convene a shareholders' meeting to exercise its voting rights by electronic means, and shareholders who exercise their voting rights by electronic means shall be deemed to be present in person, and all related matters shall be handled in accordance with the provisions of the Company Law.

Article 12: The chairman of the shareholders' meeting shall be the chairman of the board of directors. If the chairman of the board of directors is absent from work or is unable to exercise his or her duties for any reason, the vice chairman of the board of directors shall act as his or her proxy.

Article 13: The minutes of the shareholders' meeting shall be prepared, signed or sealed by the chairman, and distributed to the shareholders within 20 days after the meeting. The aforementioned minutes shall be distributed in accordance with the provisions of the Company Act.

Hansard shall record the year, month, day, place, name of the

The signature book of shareholders present and the proxy form shall be kept for at least one year. However, if a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, it shall be retained until the end of the lawsuit.

### **Chapter 4 Director**

Article 14: The Company has eleven directors, who are nominated by candidates and elected by the shareholders from a list of candidates for a term of three years and are eligible for re-election. Among the above-mentioned number of directors, there shall be at least three independent directors and not less than one-fifth of the number of directors. The qualifications of independent directors and related matters are governed by the relevant laws and regulations. The compensation of directors and independent directors is based on

the value of their participation and contribution to the Company's operations, and is determined by the Board of Directors' meeting with reference to the industry norm. The total number of shares of the Company's registered stock held by all directors is determined in accordance with the standards set by the competent authorities.

- Article 15: The Board of Directors shall be composed of two-thirds of the directors present and a majority of the directors present, who shall elect from among themselves a chairman to manage all business of the Company internally and represent the Company externally. There shall be a Vice Chairman, who shall be elected by and from among two-thirds of the directors present and a majority of the directors present.
- Article 16: The Board of Directors shall be convened by the Chairman of the Board. If the Chairman of the Board of Directors is absent from office or is unable to exercise his or her duties for any reason, the Vice Chairman of the Board of Directors shall act as his or her proxy. If the Vice Chairman of the Board of Directors is also absent from office or is unable to exercise his or her duties for any reason, the Chairman of the Board of Directors shall designate a Director to act as his or her proxy.
- The Company's Board of Directors shall be convened by giving seven days' notice to each Director, and the Company may convene the Board of Directors at any time in case of emergency.
- A meeting of the Board of Directors may be called at any time in case of emergency. A meeting of the Board of Directors of the Company may be convened in writing, by e-mail or by facsimile.
- If the Board meets by video conference, its directors who participate in the meeting by video are deemed to be present in person.
- If a director is unable to attend for any reason, he/she may appoint another director to attend by proxy by issuing a proxy form specifying the scope of authority.
- Article 17: Unless otherwise provided in the Company Act, a resolution of the Board of Directors shall be made by a majority of the directors present and approved by a majority of the directors present.
- Article 18: The Board of Directors shall conduct following business:
- 1.Call of Shareholders' Meeting.
  - 2.Enforcement of Shareholders' Meeting Resolutions.
  - 3.Preparation of business plan.
  - 4.To audit the proposed budget, operating report and earnings distribution.
  - 5.Proposed capital increase/decrease, foreign investment and technical cooperation.
  - 6.Formulation, modification and annulment of important articles of incorporation and contracts.
  - 7.Establishment, reorganization and abolition of branch offices.
  - 8.Appointment and removal of the president of the Company.
  - 9.Review of major asset purchases and disposals.
  - 10.Other powers and functions in accordance with the law and the shareholders' meeting.
- Article 19: The Company has established an audit committee in accordance with the Securities and Exchange Act, which consists of all independent directors. The Audit Committee and its members shall exercise their powers and duties and deal with related matters in accordance with the relevant provisions of the Securities and Exchange Act.
- Article 19-1: The directors' carriage fees shall be determined by the board of directors' meeting.

### **Chapter 5 Manager**

- Article 20: The Company may have a general manager whose appointment, dismissal and remuneration shall be in accordance with Article 29 of the Company Act.

### **Chapter 6 Accounting**

- Article 21: At the end of each fiscal year, the Board of Directors shall prepare the following table of contents and submit it to the shareholders' meeting for recognition in accordance with the

statutory procedures.

1. Business Report

2. Financial Statements

3. Distribution of earnings or appropriation of losses

Article 22: The remaining balance of the Company's earnings, after setting aside 10% of the remaining balance as legal reserve and setting aside or reversing special reserve as required by law, shall be distributed to the shareholders after the Board of Directors has determined the shareholders' bonus. In view of the Company's capital-intensive industry and the steady expansion of its operations in the future, in order to continue to expand the appropriate amount of capital and to consider the shareholders' demand for cash, the Company's dividend policy is to pay cash dividends of not less than 10% of the total amount of cash and stock dividends paid in a year, if there is distributable earnings after the annual financial statements and if there is no legal restriction.

Article 22-1:

The Company shall appropriate 1% to 5% of the pre-tax income for the year after offsetting accumulated losses as compensation to employees.

The Company should allocate 1% to 5% of the pre-tax income to employees' remuneration and not more than 5% to directors' remuneration. Whether or not dividends are distributed to shareholders, the Company is required to distribute dividends to employees when the Company makes a profit.

The Company is required to distribute employees' remuneration when it earns profits. The aforementioned employee compensation shall be paid in shares (treasury stock, new shares issued) or cash.

The Board of Directors shall make a special resolution to include employees who meet certain criteria such as ranking and performance, and shall report to the shareholders' meeting for approval.

The Board of Directors shall approve a special resolution and report it to the shareholders' meeting.

Article 23: The Company may provide external guarantees for its business needs and shall follow the "Procedures for Lending and Endorsement of Funds" established by the Company.

Article 24: The Company's investments in other businesses are not subject to the Company Law's restriction that the transfer of investments shall not exceed 40% of the Company's paid-in capital.

Article 25: The rules and regulations of the Company shall be determined separately.

Article 26: All matters not covered by these Articles of Incorporation shall be governed by the provisions of the Company Act and other relevant laws and regulations.

Article 27: These Articles of Incorporation were established on September 21, 1979.

1<sup>st</sup> amendment was made on Oct.12, 1979.

2<sup>nd</sup> amendment was made on Apr.25, 1981.

3<sup>rd</sup> amendment was made on Dec.24, 1981.

4<sup>th</sup> amendment was made on Jun.25, 1983.

5<sup>th</sup> amendment was made on Jun.15, 1985.

6<sup>th</sup> amendment was made on Aug.10, 1985.

7<sup>th</sup> amendment was made on Sep.14, 1988.

8<sup>th</sup> amendment was made on Nov.8, 1988.

9<sup>th</sup> amendment was made on Jun.17, 1989.

10<sup>th</sup> amendment was made on Aug.1, 1989.

11<sup>th</sup> amendment was made on Oct.15, 1989.

12<sup>th</sup> amendment was made on Nov.1, 1989.

13<sup>th</sup> amendment was made on Apr.5, 1990.

14<sup>th</sup> amendment was made on Aug.1, 1990.

15<sup>th</sup> amendment was made on Jun.10, 1991.

16<sup>th</sup> amendment was made on Jun.13, 1992.

17<sup>th</sup> amendment was made on Jun.17, 1993.  
18<sup>th</sup> amendment was made on Jun.17, 1995.  
19<sup>th</sup> amendment was made on Jun.29, 1996.  
20<sup>th</sup> amendment was made on Mar.12, 1997.  
21<sup>th</sup> amendment was made on Jun.30, 1997.  
22<sup>th</sup> amendment was made on Jun.17, 1993.  
23<sup>th</sup> amendment was made on Jun.2, 2000.  
24<sup>th</sup> amendment was made on Jun.28, 2002.  
25<sup>th</sup> amendment was made on Jun.19, 2004.  
26<sup>th</sup> amendment was made on Jun.30, 2005.  
27<sup>th</sup> amendment was made on Jun.9, 2006.  
28<sup>th</sup> amendment was made on Jun.15, 2007.  
29<sup>th</sup> amendment was made on Jun.13, 2008.  
30<sup>th</sup> amendment was made on Jun.18, 2010.  
31<sup>th</sup> amendment was made on Jun.10, 2011.  
32<sup>th</sup> amendment was made on Jun.12, 2012.  
33<sup>th</sup> amendment was made on Jun.11, 2013.  
34<sup>th</sup> amendment was made on Jun.11, 2014.  
35<sup>th</sup> amendment was made on Jun.10, 2015.  
36<sup>th</sup> amendment was made on Jun.7, 2016.  
37<sup>th</sup> amendment was made on Jun.12, 2018.  
38<sup>th</sup> amendment was made on Jun.13, 2019.  
39<sup>th</sup> amendment was made on Jun.16, 2020.

## Kee Tai Properties Co Rules of Procedure for Shareholders Meetings

June 28, 2002

Approved by Regular Shareholders' Meeting

1. The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law and regulation, shall be as provided in these Rules.
2. This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.  
The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in.
3. Attendance and voting at shareholders meetings shall be calculated based on numbers of shares.
4. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
5. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.  
If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.
6. This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.  
Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
7. The Company shall make an uninterrupted audio and video record of the shareholders' meeting and keep it for at least one year.
8. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.  
When, prior to conclusion of the meeting, the attending shareholders represent a majority of the

total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

9. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

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

After close of the shareholders meeting, shareholders shall not elect another chairman to hold another meeting at the same place or at any other place; if the chairman declares the adjournment of the meeting in a manner in violation of such rules governing the proceedings of meetings, a new chairman of the meeting may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceedings of the meeting.

10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

11. Except with the consent of the chair, 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 chair may terminate the speech.

12. A corporate shareholder being entrusted to attend in a shareholders meeting may designate only one representative to represent it in the meeting.

If a corporate shareholder which designates two or more representatives to represent it at the shareholders meeting, only one of the representatives so designated may speak on any one motion.

13. After a shareholder has given a speech, the chairman may personally or designate relevant person to respond.

14. When the chairman considers that the discussion for a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution.

15. The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the chairman, provided, however, that the person supervising the casting of votes shall be a shareholder.

The results of resolution(s) shall be announced in the meeting, and recorded in the meeting

minutes.

16. During the proceedings of a meeting, the chairman may consider the schedule and announce for a break.
17. Unless otherwise specifically provided for in the Company Law or the Articles of Incorporation of the Company, resolutions shall be adopted by a majority vote at a meeting attended by the shareholders.  
During voting, if the chair solicits and receives no dissents, the motion is deemed passed, with equivalent force as a resolution by vote.
18. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
19. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
20. These Rules shall take effect after having been submitted to and approved by a meeting of the Board of Directors, and shall be submitted to the shareholders' meeting for discussion. Subsequent amendments thereto shall be effected in the same manner.

## Appendix 3

## Kee Tai Properties Co Shareholding of All Directors

Book closure date: April 18, 2021

Title	Name	Date elected	Term of office	Shareholding while elected		Current shareholding	
				Shares	%	Shares	%
Chairman	Genesis Consulting (Inc.) Rept.:Chen Shih-ming	June 13, 2019	3 Years	2,204,000	0.50	2,204,000	0.50
Vice Chairman	Wing Yuen Co. Rept.:LU, YU-CHON	June 13, 2019	3 Years	4,600,000	1.05	4,600,000	1.05
Director	Chang Fu Asset Management Consultants, Inc. Rept.:Feng Hsien-mien	June 13, 2019	3 Years	3,125,000	0.71	3,125,000	0.71
Director	YANG, HAI-JIE	June 13, 2019	3 Years	3,000,000	0.68	3,000,000	0.68
Director	Kyoden Hall Industrial Co. Rept.:JIAN, KUO-WEI	June 13, 2019	3 Years	2,940,094	0.67	2,940,094	0.67
Director	Kyoden Hall Industrial Co. Rept.:CHEN, CHUN-TONG	June 13, 2019	3 Years				
Director	Fu Mou Asset Consulting Co. Rept.:CHENG, YUN	June 13, 2019	3 Years	3,366,561	0.77	3,366,561	0.77
Director	Qianfu Development Co. Rept.:YANG, DEI-LONG	June 13, 2019	3 Years	7,668,000	1.75	7,668,000	1.75
Independent Director	HUANG, WEI-ZHOU	June 13, 2019	3 Years	0	0.00	0	0.00
Independent Director	LIN ,HEN-YI	June 13, 2019	3 Years	0	0.00	0	0.00
Independent Director	HSU, CHE-CHAN	June 13, 2019	3 Years	0	0.00	0	0.00
Total				26,903,655		26,903,655	

Total issued shares: 438,448,764 shares on April 18, 2021.

The minimum required combined shareholding of all directors by law: 16,000,000 shares.

The combined shareholding of all directors on April 18, 2021: 26,903,655 shares.

Remark:

1. The shares held by independent directors shall not be counted in the calculation of director shareholdings.
2. The Company has an audit committee, so there is no supervisor shareholding requirement.

## Appendix 4

The impact of the proposed stock dividend issuance on the Company's business performance, EPS and shareholders' return rate:

1. The Company has not made any stock dividend issuance. Therefore, there is no impact on the Company's business performance, EPS and shareholders' return rate.
2. The Company's financial forecast for fiscal 2021 is not publicly available and is therefore not applicable.