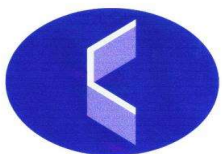


Stock Code: 2546

Meeting Handbook

2020 Annual General Shareholders' Meeting



Kedge Construction Co., Ltd.

Time: 9:00 a.m. on June 15, 2020

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

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Kedge Construction Co., Ltd.

Procedure for the 2020 Annual General Shareholders' Meeting

I. Call the meeting to Order

II. Chairman's Remarks

III. Announcements

IV. Proposals

V. Discussions

VI. Elections

VII. Other Matters

VIII. Extempore Motions

IX. Adjournment

Kedge Construction Co., Ltd.

Agenda of the 2020 Annual General Shareholders' Meeting

Time: 9:00 a.m. on June 15, 2020 (Monday)

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

I. Announcements:

- (I) 2019 Business Report.
- (II) Supervisor's Review Report on the 2019 Financial Statements.
- (III) 2019 Employees' and Directors' Remuneration Distribution Report.
- (IV) Other Matters:
 - 1. The Company's endorsement/guarantee for others.
 - 2. Amendments to the "Rules of Procedure for Board of Directors Meetings".
 - 3. Amendments to the "Ethical Corporate Management Best Practice Principles".
 - 4. Amendments to the "Corporate Social Responsibility Best Practice Principles".

II. Proposals:

- (I) The Company's 2019 Business Report and Financial Statements.
- (II) 2019 Earnings Distribution.

III. Discussions:

- (I) Amendments to the "Procedures for Acquisition or Disposal of Assets".
- (II) Amendments to the "Procedures for Endorsements and Guarantees".
- (III) Amendments to the "Procedures for Extending Loans to Others".

IV. Elections:

Election of the Company's 11th-term Board of Directors (including Independent Directors).

V. Other Matters:

Lifting of non-compete restrictions for newly elected Directors (including Independent Directors).

VI. Extempore Motions:

VII. Adjournment.

I. Announcements

- (I) To report on the company's 2019 Business Report.
Explanation: Please refer to Attachment I on page9-11 of the Handbook for the 2019 business report.
- (II) To report on the Supervisor's Review Report on the 2019 Financial Statements.
Explanation: Please refer to Attachment II on page12 of the Handbook for the Supervisors' audit review report.
- (III) To report on the 2019 Employees' and Directors' Remuneration Distribution Report.
Explanation: As approved by the 19th meeting of the 10th-term Board of Directors on Mar. 23, 2020, NT\$5,104,567 will be allocated for employees' compensation, and NT\$10,209,135 will be allocated for remuneration of Directors and Supervisors, accounting for 1% and 2% of the 2019 annual profit respectively, which will be distributed in cash.
- (IV) Other Matters:
 - 1. The Company's endorsement/guarantee for others:
As of Dec. 31, 2019, the Company's endorsement/guarantee for Kindom Development Co., Ltd. is NT\$14,192,000.
 - 2. Amendments to the "Rules of Procedure for Board of Directors Meetings":
To facilitate the requirements for the establishment of the Audit Committee based on the Letter No. 10803619346 issued by Financial Supervisory Commission on Jan. 15, 2020, part of articles of the Company's "Rules of Procedure for Board of Directors Meetings" are amended accordingly. Please refer to Attachment III on page13-16 of the Handbook for the comparison table.
 - 3. Amendments to the "Ethical Corporate Management Best Practice Principles":
To facilitate the requirements for the establishment of the Audit Committee based on the Letter No. 1080008378 issued by Taiwan Stock Exchange Corporation on May 23, 2019, part of articles of the Company's "Ethical Corporate Management Best Practice Principles" are amended accordingly. Please refer to Attachment IV on page17-24 of the Handbook for the comparison table.
 - 4. Amendments to the "Corporate Social Responsibility Best Practice Principles":
Based on the Letter No. 1090002299 issued by Taiwan Stock Exchange Corporation on Feb. 13, 2020, part of articles of the Company's "Corporate Social Responsibility Best Practice Principles" are amended accordingly. Please refer to Attachment V on page25-26 of the Handbook for the comparison table.

II. Proposals

Proposal 1

Proposed by the Board of Directors

Proposal: The adopt the Company's 2019 Business Report and Financial Statements.

Explanation:

- I. The Company's 2019 consolidated and individual balance sheets, statements of comprehensive income, statements of changes in equity and statements of cash flows have been prepared and audited by certified public accountants, Ti-Nuan Chien and Shu-Ying Chang of KPMG, and submitted to the annual shareholders' meeting in accordance with the law along with the business report, which has been reviewed by the Supervisors.
- II. Please refer to Attachment I on page9-11 and Attachment VI on page27-42 of the Handbook for the 2019 business report, independent auditors' report and the above financial statements.
- III. Request for ratification.

Resolution:

Proposal 2

Proposed by the Board of Directors

Proposal: To adopt the proposal for the earnings distribution for 2019.

Explanation:

- I. This proposal has been approved by the 19th meeting of the 10th-term Board of Directors on Mar. 23, 2020.
- II. The Company's undistributed earnings at the beginning of the year of 2019 was NT\$390,963,105, plus changes in remeasurements of defined benefit plans for the period was NT\$907,016, and the net profit after tax for 2019 was NT\$402,348,412. The distributable net profit for the current period was NT\$794,218,533. After appropriation of legal capital reserve of NT\$40,325,542, it is proposed that NT\$318,106,980 be allocated as bonus for shareholders, which will be distributed in cash and round down to NT\$1, the aggregated amount of bonus less than NT\$1 will be included as other income for the Company.
- III. After the case has been approved by the annual shareholders' meeting, the Board of Directors will be authorized to stipulate the ex-dividend date and other related matters.
- IV. Please refer to Attachment VII on page43 of the Handbook for the 2019 Earnings Distribution.
- V. Request for ratification.

Resolution:

III. Discussions:

Proposal 1

Proposed by the Board of Directors

Proposal: Amendments to the “Procedures for Acquisition or Disposal of Assets”. Please conduct relevant discussion.

Explanation:

- I. Corresponding to the establishment of the Audit Committee to functionally replace the Supervisors, the Company amended certain articles of the “Procedures for Acquisition or Disposal of Assets”. Please refer to Attachment VIII on page44-49 of the Handbook for the comparison table.
- II. Request for resolution.

Resolution:

Proposal 2

Proposed by the Board of Directors

Proposal: Amendments to the “Procedures for Endorsements and Guarantees”. Please conduct relevant discussion.

Explanation:

- I. Corresponding to the establishment of the Audit Committee to functionally replace the Supervisors, the Company amended certain articles of the “Procedures for Endorsements and Guarantees”. Please refer to Attachment IX on page50-52 of the Handbook for the comparison table.
- II. Request for resolution.

Resolution:

Proposal 3

Proposed by the Board of Directors

Proposal: Amendments to the “Procedures for Extending Loans to Others”. Please conduct relevant discussion.

Explanation:

- I. Corresponding to the establishment of the Audit Committee to functionally replace the Supervisors, the Company amended certain articles of the “Procedures for Extending Loans to Others”. Please refer to Attachment X on page53-55 of the Handbook for the comparison table.
- II. Request for resolution.

Resolution:

IV. Elections

Proposal 1

Proposed by the Board of Directors

Proposal: Election of the Company's 11th-term Board of Directors (including Independent Directors).

Explanation:

- I. This proposal has been approved by all Directors in the 20th meeting of the 10th-term Board of Directors on Apr. 24, 2020.
- II. The terms of office of the 10th-term Directors and Supervisors of the Company end on Jun. 18, 2020. Re-election shall be held according to the provisions of the Company Act and the Articles of Incorporation.
- III. According to Article 15 of the Articles of Incorporation of the Company, nine Directors (including three Independent Directors) shall be elected this time, and an Audit Committee shall be established after the annual shareholders' meeting to replace the Supervisors. The Audit Committee shall consist of all the Independent Directors.
- IV. In order to facilitate the date of the re-election of the annual shareholders' meeting, the Directors and Supervisors shall be discharged in advance from the date of re-election. The newly elected Directors shall take office on the date of the re-election, their terms of office shall be 3 years starting on Jun. 15, 2020 and ending on Jun. 14, 2023.
- V. According to the laws and regulations and the provisions of the Company's Articles of Incorporation, the Company's Directors (including Independent Directors) are elected by the candidate nomination system. The shareholders' meeting appoints Directors from the list of candidates. The election of the Independent Directors and non-independent Directors are held together, and the ballot and quota are calculated separately. The list of candidates is as follows:

Category	Name	Shareholding (shares)	Experience/education
Director	Representative of Kindom Development Co., Ltd.: Mike Ma	36,247,768 Shares	Master of Statistics, Columbia University, U.S.A. Chairman of Kindom Development Co., Ltd. Chairman and General manager of Global Mall Co., Ltd. Director of Kindom Yu San Education Foundation
Director	Representative of Kindom Development Co., Ltd.: Mei-Chu Liu	36,247,768 Shares	Bachelor of Chinese Literature, Tamkang University Chairman of Yu-De Investment Co., Ltd. Director of. Kedge Construction Co., Ltd Director of Kindom Development Co., Ltd.
Director	Representative of Kindom Development Co., Ltd.:	36,247,768 Shares	Bachelor of Industrial Engineering, Donghai University Supreme Advisor of Kindom Development Co., Ltd. Director of Global Mall Co., Ltd. Director of Kindom Yu San Education Foundation

	Ching-song Tseng		
Director	Representative of Kindom Development Co., Ltd.: Yi-Fang Huang	36,247,768 Shares	Master's Degree from Construction Engineering and Management Division, Department of Civil Engineering, National Taiwan University Director and Executive Vice manager of Kedge Construction Co., Ltd.
Director	Representative of Kindom Development Co., Ltd.: Ai-Wei Yuan	36,247,768 Shares	Master's Degree from Construction Engineering and Management Division, Department of Civil Engineering, National Taiwan University Director of. Kedge Construction Co., Ltd Senior Vice manager of Kindom Development Co., Ltd.
Director	Representative of Kindom Development Co., Ltd.: Shih-Hsuan Chou	36,247,768 Shares	Master's Degree from Construction Engineering and Management Division, Department of Civil Engineering, National Taiwan University Director and Executive Vice manager of Kedge Construction Co., Ltd.
Independent Director	Hung-Chin Huang	0 Shares	Master of Accounting, Shanghai University of Finance and Economics Certified public accountant with Heng-Hui Joint CPA Firm Assistant professor of Accounting, Fu Jen Catholic University Independent Director of Kedge Construction Co., Ltd. Independent Director of Kindom Development Co., Ltd.
Independent Director	Shen-Yu Kung	0 Shares	Master of Business Administration, National Chengchi University Chief Investment Officer of APP-China Vice manager of China Development Industrial Bank Independent Director of Kedge Construction Co., Ltd. Independent Director of Kindom Development Co., Ltd. Independent Director of Donpon Precision Inc. Independent Director of Ever Power IPP Co., Ltd.
Independent Director	Gwo-fong Lin	0 Shares	Doctor of Civil Engineering, University of Pittsburgh, U.S.A. Distinguished Professor, Department of Civil Engineering, National Taiwan University Head of Department of Civil Engineering, National Taiwan University Member of the National Council for Sustainable Development of the Executive Yuan Member of the Procurement Appeal Review Committee of the Public Works Committee of the Executive Yuan Editor-in-Chief of China Civil Engineering Journal Academician of the Russian Academy of International Communications

VI. Please hold the election in accordance with the Rules for Election of Directors.

VII. Submitted for election.

Election Results:

V. Other Matters:

Proposal 1

Proposed by the Board of Directors

Proposal: Lifting of non-compete restrictions for newly elected Directors (including Independent Directors).

Explanation:

- I. According to Article 209 of the Company Act, "A Director who does anything within the scope of the Company's business for oneself or on behalf of another person shall explain to the shareholders at the shareholders meeting on the essential contents of such an act and secure their approval. "
- II. Lifting of non-compete restrictions for newly elected Directors (including Independent Directors). The Company's Independent Director Gwo-fong Lin is a candidate for Independent Director of Ruentex Engineering & Construction Co., Ltd. If elected, please agree to lift non-compete restrictions.
- III. Request for resolution.

Resolution:

VI. Extempore Motions

VII. Adjournment

Attachment I

2019 Business Report

I. Operating Directives

Kedge Construction Co., Ltd. is built on honesty, focusing on construction, striving to uphold the quality of construction and the value of service for the owner, providing professional service to create a win-win situation, innovative engineering methods seeking to co-exist with the environment, and show sincerity by caring for the minority and collaborate with the neighborhood.

The management team has 40 years of construction management experience. In recent years, it has actively developed technological construction management techniques, including using cloud ERP systems, remote co-work platforms, mobile application tools, etc., to ensure competitiveness in four major core competencies, quality, cost, progress, and occupational safety and health. We strive for opportunity to conduct high competitiveness projects of buildings, roads and bridges, rail expansions, tunnels and cutting-edge technology plants to create record performances in new fields and elevate the value of the company.

II. Operations Overview

In 2019, affected by many uncertain factors such as the US-China trade war, Brexit, and Japan-Korea trade disputes, the momentum for global trade and investment has weakened, the economic growth will continue to slow down, and major global economies begin to shift to easing monetary policies. The slowdown in world economic growth is obvious and estimates have been revised since the third quarter. Although the domestic markets suffered from the disruptions of international trade disputes, however benefiting from the diverted orders, returning business investment, the growth in demands of the domestic market, new applications of intelligent manufacturing of industry 4.0 and communication via 5G and the continued investments in semi-conductors and in green energy such as off-shore wind power, which hopefully will facilitate a steady increase in private investments.

From 2019 the budget allocated for infrastructure-related projects grew and the budget for Foresight Project has been released, however, the projects were delayed due to land acquisition procedure and changes to the projects, thus the boost provided to the construction industry is very limited. The domestic real estate market has seen its worst days and is starting afresh, and the momentum for promoting new projects in the construction industry has increased. In 2019, the total transfer volume of the housing market exceeded 300,000, and the annual growth rate reached 8.03%. The transfer volumes of the housing market for the 6 special municipalities exceed expectation, which is favorable for the management and construction conditions of residence construction projects and increase the chances of subsequent releases of work for contractors.

In 2019, the price of sand and gravel rose sharply due to the shortage of raw materials and the increase in transportation cost. After the government intervened in the negotiations and the

supply rebounded, it has stabilized. The price of ready-mixed concrete continued to increase due to the impact of the price growth in sand and gravel and the properties of the Taiwan Railways in southern Taiwan being turned into public spaces as well as high-tech plants heading into peak season. The domestic steel industry is suffering from the economic downturn caused in the U.S. and China, coupled with the increase in processing costs and the slow-down in the global economy, resulting in reductions in both volume and price. Furthermore, at the beginning of 2020, due to the impact of the COVID-19 outbreak, the prospects for whole sale market for raw materials are still unclear.

In 2019, obtaining certification for ISO 19650 Building Information Modelling (BIM), subsequent to the acquisition of BIM certification from BSI in 2018, the Company becomes the first in the country to obtain certification of both BSI and the verification of the international standard ISO 19650 Building Information Modeling (BIM) in 108 and the BSI ISO 19650 Building Information Modelling, in line with international standards.

III. Business Performance

The company acted as contractor for a total of 36 projects in 2019 with the total amount reaching NT\$48 billion, of which the contracted amount for 7 new projects including the C212 bid for the construction of underground Tainan Station, the turnkey project for the renovation of the Na-Men Building and the market, and TSMC's F18 N3 pre-construction piles and earthwork is about NT\$12 billion, and the contracted amount for 13 completed projects including Kindom Ching-Pu-Hui, the bid of C1 bridge on Provincial Highway 9 and the new construction project of National Taiwan University Hospital Hsin-Chu Branch is about NT\$13 billion. The consolidated operating revenue recognized in 2019 taking into account the progress of the operations of projects on hand is NT\$11.462 billion, a slight increase of 0.3% from NT\$11.429 billion in 2018. The consolidated net profit after tax for the current period is NT\$402 million, a slight decrease of 1.47% from NT\$408 million in 2018.

As of the end of February 2020, there are 26 on-going projects, including 13 residential and commercial office building projects including Kindom Tai-Ching, Kindom Tai-Chi, Kindom Innovation Hall, 2 civil engineering projects including C712A bid of the civil engineering and general electrical and mechanical work project from Pu-An Station to Jinlun Station, C212 bid for the construction of underground Tainan Station and 11 indicative construction and construction of high-tech plants including the turnkey project of construction of new medical buildings for Taipei Veterans General Hospital, the first phase of the BOT project Kaohsiung Municipal Feng-Shan Hospital, the construction of a public building and the building 1 for Academia Sinica Tainan Branch, the turnkey project of Pao-Kao Smart Industrial Park, Na-Men Building and the market, the new construction project for the sport center of Taibeishineihuqunanhu Elementary School and TSMC's F18P3 CUP and F18 N3 pre-construction piles and earthwork. The total contracted amount is about NT\$42 billion.

IV. Budget Execution

Items included in the consolidated operating revenue include construction revenues and non-operating income, totaling NT\$11.494 billion, a slight increase of 0.3% compared with

2018. Among them, the proportion of construction revenues is based on the progress of construction and steady investment to achieve the goal of stable revenue scale.

The total of consolidated operating expenses for 2019 is \$NT10.994 billion, including construction costs, operating expenses, and non-operating expenses, which was a slight increase of 0.5% compared with 2018. Apart from the fact that the construction costs break even as the scale of the construction increases, for operating expenses, the increase in employee welfare expenses due to the increase in the number of employee, the increase due to salary adjustments and the increase in training expenses due to intensified educational training are all major reasons for the increase in operating expenses from the previous period.

V. Profitability Analysis

Kedge Construction Co., Ltd. reached a stable operating scale of NT\$10 billion in 2019, and obtains ample funds from contracts. The net cash inflow from consolidated business activities is NT\$1.36 billion, and the net cash outflow from consolidated investment and financing activities is NT\$426 million. The consolidated volume of cash flow compared to 2018 is \$NT1.76 billion, the overall operating status is equivalent to that of 2018, the consolidated net profit is NT\$402 million, the earnings per share is NT\$3.79.

VI. Research Development Status

Kedge Construction Co., Ltd. Continue to persist on our philosophies of "integrity, quality, service, innovation and sustainability." In 2019, we continue to research and improve the construction method, utilize the BIM technology platform and 3D aerial image applications, and explore the possibility of new technology applications in constructions to provide our customers with the best service. Looking into the future, we will continue to conduct research and development on experimental technologies and innovative applications, implement product design, mass production research and systematic management, value the importance of the integration and applications of remote technology tools, and continue to deepen our core competitiveness.

Chairman:
Miriam Ma

General Manager:
Hui-Jen Huang

Accounting Supervisor:
Li-Ya Chen

Attachment II

Supervisors' Audit Report of Kedge Construction Co., Ltd.

Approval for

The Board of Directors sends the Company's 2019 financial statements, which have been audited by certified public accountants, Ti-Nuan Chien and Shu-Ying Chang of KPMG, together with the business report and disposition of net income. The Supervisors have reviewed aforementioned statements and did not find any instances of noncompliance. According to Article 219 of the Company Act, they are hereby submitted for your review and perusal.

To

The Company's 2020 Annual General Shareholders' Meeting

Supervisor: Peng-Lung Hua

Mar. 30, 2020

Attachment III

Kedge Construction Co., Ltd.

Comparison Table for Amendments to the Rules of Procedure for Board of Directors Meetings

Current Provision	After Amendment	Explanation
Article 3 Paragraph 1: Omitted. In convening a meeting of the Board of Directors, a notice shall be given to each Director <u>and Supervisor</u> no later than 7 days prior to the scheduled meeting date. However, meetings can be held in shorter notices in case of emergency. The meeting notices prescribed in the preceding paragraph may be distributed in electronic form. Paragraph 4: Omitted.	Article 3 Paragraph 1: Omitted. In convening a meeting of the Board of Directors, a notice shall be given to each Director no later than 7 days prior to the scheduled meeting date. However, meetings can be held in shorter notices in case of emergency. The meeting notices prescribed in the preceding paragraph may be distributed in <u>written form 、by fax or electronic form</u>. Paragraph 4: Omitted.	Provision concerning “supervisor” is removed due to the establishment of the Audit Committee. New means of meeting notification are added.
Article 4 The designated unit responsible for the Board meetings shall be the <u>stocks</u> division of the finance department. Paragraph 2 to paragraph 3: Omitted.	Article 4 The designated unit responsible for the Board meetings shall be the <u>finance and accounting</u> division of the finance department. Paragraph 2 to paragraph 3: Omitted.	Amended the name of the organization.
Article 7 Board meetings <u>shall be</u> convened <u>and</u> chaired by the Chairman of the Board. However, the first board meeting of each term shall be convened and chaired by the Director whose ballots represent the most voting rights at the shareholders' meeting. When there are two or more persons with the right to convene, they shall choose one from among themselves. <u>Added.</u> Paragraph <u>2</u>: Omitted.	Article 7 Board meetings convened by the Chairman of the Board shall be chaired by <u>the Chairman</u> of the Board. However, the first meeting of each newly elected Board of Directors shall be convened and chaired by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected. If two or more Directors are so entitled to convene the meeting, they shall select one Director from among themselves to serve as chairperson of the meeting. According to Article 203, Paragraph 4 or Article 203-1, Paragraph 3 of the Company Act, the majority or more of the Directors elect may convene the meeting on their own, and the Directors shall select one director from among themselves to serve as chairperson of the meeting. Paragraph <u>3</u>: Omitted.	Amended in accordance with Letter No. 10803619346 issued by Financial Supervisory Commission on Jan. 15, 2020.

Current Provision	After Amendment	Explanation
Article 8 When a Board meeting is held, management departments (<u>stocks</u> team of <u>accounting</u> department of finance division) shall prepare relevant information and made available for inspections by the Directors. Paragraph 2 to paragraph 5: Omitted.	Article 8 When a Board meeting is held, management departments (<u>financial</u> and accounting department of finance division) shall prepare relevant information and made available for inspections by the Directors. Paragraph 2 to paragraph 5: Omitted.	Amended the name of the organization.
Article 10 The agenda items of regular Board meetings shall include at least the following matters: I. Omitted. II. Discussions: (I) Items discussed and continued from the last meeting. (II) Items <u>expect</u> to be discussed at this meeting. III. Omitted.	Article 10 The agenda items of regular Board meetings shall include at least the following matters: I. Omitted. II. Discussions: (I) Items discussed and continued from the last meeting. (II) Items to be discussed at this meeting. III. Omitted.	Delete some of the wording.
Article 12 The Company shall submit the following items for discussion by the Board: I. Omitted. II. <u>Annual and semi-annual financial reports</u> <u>With the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by Certified Public Accountants (CPA).</u> III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and assessment of the effectiveness of the internal control system. IV~V: Omitted. VI. Appointment or discharge of a finance manager, accounting manager <u>or</u> internal chief auditor. VII~VIII: Omitted. Paragraph 2 to Paragraph 4: Omitted.	Article 12 The company shall submit the following items for discussion by the board: I. Omitted. II. <u>Annual financial reports signed and sealed by the Chairman of the Board, the manager and the accounting supervisor.</u> III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and assessment of the effectiveness of the internal control system. IV~V: Omitted. VI. Appointment or discharge of a finance manager <u>or</u> accounting manager or internal chief auditor <u>and internal audit personnel.</u> VII~VIII: Omitted. Paragraph 2 to Paragraph 4: Omitted.	Certain wordings are amended and added in accordance with Order No. 10800063491 issued by the President on Jun. 21, 2019 and Paragraph 4, Article 3 of the Corporate Governance Best Practice Principles.
Article 15 Paragraph 1: Omitted. <u>Added.</u>	Article 15 Paragraph 1: Omitted. <u>Where the spouse, a relative within the second degree of kinship of a Director, or any company which has a controlling or subordinate relation with</u>	Amended in accordance with Letter No. 10803619346 issued by

Current Provision	After Amendment	Explanation
The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 2 of that Act, apply to resolutions of Board meetings when a Director is prohibited by the preceding paragraph from exercising voting rights.	<u>a Director has interests in the matters under discussion in the meeting of the preceding paragraph, the director shall be deemed to have a personal interest in the matter.</u> The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of Board meetings when a Director is prohibited by the preceding 2 paragraphs from exercising voting rights.	Financial Supervisory Commission on Jan. 15, 2020.
Article 16 Discussions at a Board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below: I~VI: Omitted. VII. Discussions: The voting method, and result of each proposed resolution; speech summary of Directors, <u>Supervisors</u>, professionals and other persons; name of director having a personal interest pursuant to the Paragraph 1 of the preceding article; description of major aspects of the interest; the reasons for recusal or non-recusal; the circumstances of recusal and objections or reservations which are on the record or in writing. VIII. Extempore motions: Name of proposer, the voting method, and result of each proposed resolution; speech summary of Directors, <u>Supervisors</u>, professionals and other persons; name of director having a personal interest pursuant to the Paragraph 1 of the preceding article; description of major aspects of the interest; the reasons for recusal or non-recusal; the circumstances of recusal and objections or reservations which are on the record or in writing. IX. Omitted. Paragraph 2: Omitted. Any of the following matters in relation to a resolution passed at a meeting of	Article 16 Discussions at a Board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below: I~VI: Omitted. VII. Discussions: The voting method, and result of each proposed resolution; speech summary of Directors, professionals and other persons; name of director having a personal interest pursuant to the Paragraph 1 of the preceding article; description of major aspects of the interest; the reasons for recusal or non-recusal; the circumstances of recusal and objections or reservations which are on the record or in writing. VIII. Extempore motions: Name of proposer, the voting method, and result of each proposed resolution; speech summary of directors, professionals and other persons; name of director having a personal interest pursuant to the Paragraph 1 of the preceding article; description of major aspects of the interest; the reasons for recusal or non-recusal; the circumstances of recusal and objections or reservations which are on the record or in writing. IX. Omitted. Paragraph 2: Omitted. Any of the following matters in relation to a resolution passed at a meeting of	Provision concerning “supervisor” is removed due to the establishment of the Audit Committee. Same as above. Added report items for the Board’s relevant resolutions due to the establishment of the Audit Committee. Provision concerning “supervisor” is removed.

Current Provision	After Amendment	Explanation
the Board of Directors shall be stated in the meeting minutes and be published on an information reporting website designated by the competent authority within 2 days of the meeting: An Independent Director has a dissenting or qualified opinion which is on record or stated in a written statement. The minutes of the proceedings shall be signed or sealed by the chairperson of the meeting and the meeting secretary, and shall be distributed to all Directors and Supervisors within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company. Paragraph 4: Omitted.	the Board of Directors shall be stated in the meeting minutes and be published on an information reporting website designated by the competent authority within 2 days of the meeting: <u>I.</u> An Independent Director has a dissenting or qualified opinion which is on record or stated in a written statement. <u>II.</u> A resolution is adopted with the approval of two-thirds or more of all Directors, without having been passed by the audit committee of the company. The minutes of a board meeting shall bear the signature or seal of both the chairperson and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company. Paragraph 4: Omitted.	
<u>Added.</u>	<u>Article 19</u> <u>This amendment was made on Mar. 23, 2020.</u>	Added the date of this amendment.

Attachment IV

Kedge Construction Co., Ltd.

Comparison Table for Amendments to the Ethical Corporate Management Best Practice Principles

Current Provision	After Amendment	Explanation
Article 2 When engaging in businesses relevant to the Company's Directors, <u>Supervisors</u>, managers, employees, and mandataries of the Company, or persons having substantial control over it ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any illegal benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits. Paragraph 2: Omitted.	Article 2 When engaging in businesses relevant to the Company's Directors, managers, employees, and mandataries of the Company, or persons having substantial control over it ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any illegal benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits. Paragraph 2: Omitted.	Provision concerning "supervisor" is removed due to the establishment of the Audit Committee.
Article 5 The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism to create an operational environment for sustainable development.	Article 5 The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and <u>obtain approval from the Board of Directors</u>, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	Amended in accordance with Letter No. 1080008378 issued by Taiwan Stock Exchange Corporation on May 23, 2019.
Article 7 <u>When establishing the prevention program</u>, the Company shall analyze business activities within their business scope which may be at a higher risk of being involved in an unethical conduct, and <u>strengthen</u> the preventive <u>measures</u>. The prevention program established by the Company shall at least include preventive measures against the following: I~VII: Omitted.	Article 7 The Company shall <u>establish a risk assessment mechanism against unethical conduct</u>, analyze and assess on a <u>regular basis</u> business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs <u>accordingly and review their adequacy and effectiveness on a regular basis</u>. The Company <u>shall refer to prevailing domestic and foreign standards or guidelines</u> in establishing the prevention programs, which shall at least include preventive measures against the following: I~VII: Omitted.	Same as above.
Article 8 <u>Added.</u>	Article 8 <u>The Company shall request their Directors and senior management to</u>	Same as above.

Current Provision	After Amendment	Explanation
The Company and its respective business group shall clearly specify in internal rules and on the company website the ethical corporate management policies and the commitment by the Board of Directors and management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities. <u>Added.</u>	<u>issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u> The Company and the its respective business group shall clearly specify in internal rules <u>and external documents and on the company website</u> the ethical corporate management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities. <u>The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs, and retain said information properly.</u>	
Article 10 When conducting business, the Company and the its Directors, <u>Supervisors</u>, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.	Article 10 When conducting business, the Company and the its Directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.	Provision concerning “supervisor” is removed due to the establishment of the Audit Committee.
Article 11 When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its Directors, <u>Supervisors</u>, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.	Article 11 When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its Directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.	Same as above.

Current Provision	After Amendment	Explanation
Article 12 When making or offering donations and sponsorship, the company and the company's directors, <u>supervisors</u> , managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.	Article 12 When making or offering donations and sponsorship, the Company and the its Directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.	Same as above.
Article 13 The Company and its Directors, <u>Supervisors</u> , managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.	Article 13 The Company and its Directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.	Same as above.
Article 14 The Company and its Directors, <u>Supervisors</u> , managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.	Article 14 The Company and its Directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.	Same as above.
Article 16 In the course of procurement, manufacture, provision, or sale of products and services, the company's directors, <u>supervisors</u> , managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests,	Article 16 In the course of procurement, manufacture, provision, or sale of products and services, the company and their directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests,	Same as above.

Current Provision	After Amendment	Explanation
health, and safety of consumers or other stakeholders.	health, and safety of consumers or other stakeholders.	
Article 17 The Directors, <u>Supervisors</u>, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is under the Board of Directors and responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the Board of Directors: I. Omitted. II. Adopt programs to prevent unethical conduct, <u>and</u> set out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business. III~VI: Omitted.	Article 17 The Directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is under the Board of Directors <u>and avail itself of adequate resources and staff itself</u> with competent personnel, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the Board of Directors on a regular basis <u>(at least once a year)</u>: I. Omitted. II. <u>Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope,</u> adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business. III~VI: Omitted.	Same as above. Amended in accordance with Letter No. 1080008378 issued by Taiwan Stock Exchange Corporation on May 23, 2019.
Article 18 The Company's Directors, <u>Supervisors</u>, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.	Article 18 The Company's Directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.	Provision concerning "supervisor" is removed due to the establishment of the Audit Committee.
Article 19 The Company shall adopt policies for preventing conflicts of interest to	Article 19 The Company shall adopt policies for preventing conflicts of interest to	Same as above.

Current Provision	After Amendment	Explanation
identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for Directors, <u>Supervisors</u>, managers, and other stakeholders attending or present at Board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company. When a proposal at a given Board meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the Directors, <u>Supervisors</u>, managers, and other stakeholders attending or present at Board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given Board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another Director. Directors shall also exercise self-discipline and must not support one another in improper dealings. The Company's Directors, <u>Supervisors</u>, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.	identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for Directors, managers, and other stakeholders attending or present at Board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company. When a proposal at a given Board meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the Directors, managers, and other stakeholders attending or present at board meetings of the company, the concerned person shall state the important aspects of the relationship of interest at the given Board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another Director. Directors shall also exercise self-discipline and must not support one another in improper dealings. The company's directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.	
Article 20 Paragraph 1: Omitted. The internal audit unit of the company shall examine the Company's compliance with <u>the foregoing systems and prepare audit reports and submit the same to the Board of Directors</u>. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.	Article 20 Paragraph 1: Omitted. The internal audit unit of the Company shall, <u>based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, and examine accordingly the compliance with the prevention programs</u>. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.	Amended in accordance with Letter No. 1080008378 issued by Taiwan Stock Exchange Corporation on May 23, 2019.

Current Provision	After Amendment	Explanation
<u>Added.</u>	<u>The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the Board of Directors.</u>	
Article 21 The company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide Directors, <u>Supervisors</u> , managers, employees, mandataries, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters: I~VIII: Omitted.	Article 21 The company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide Directors, managers, employees, mandataries, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters: I~VIII: Omitted.	Provision concerning “supervisor” is removed due to the establishment of the Audit Committee.
Article 22 Paragraph 1: Omitted. The Company shall organize training and awareness programs for directors, <u>supervisors</u> , managers, employees, mandataries, and substantial controllers and invite the Company's commercial transaction counterparties so they understand its resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct. Paragraph 3: Omitted.	Article 22 Paragraph 1: Omitted. The Company shall organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the Company's commercial transaction counterparties so they understand its resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct. Paragraph 3: Omitted.	Same as above.
Article 23 The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following: I. Omitted. II. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors <u>or supervisors</u> . Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. <u>Added.</u>	Article 23 The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following: I. Omitted. II. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a Director or senior management shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. III. <u>Follow-up measures to be adopted depending on the severity of the</u>	Amended in accordance with Letter No. 1080008378 issued by Taiwan Stock Exchange Corporation on May 23, 2019 and removed provision concerning “supervisor”.

Current Provision	After Amendment	Explanation
III. Documentation and preservation of case acceptance, investigation processes, investigation results and relevant documents. IV. Confidentiality of the identity of whistle-blowers and the content of reported cases. V. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing. VI. Whistle-blowing incentive measures. When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall notify the Independent Directors <u>or Supervisors</u> in written form.	<u>circumstances after investigations of cases reported are completed.</u> <u>Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</u> IV. Documentation and preservation of case acceptance, investigation processes, investigation results and relevant documents. V. Confidentiality of the identity of whistle-blowers and the content of reported cases, <u>and an undertaking regarding anonymous reporting.</u> VI. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing. VII. Whistle-blowing incentive measures. When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall notify the Independent Directors in written form.	
Article 26 The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their Directors, <u>Supervisors</u>, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.	Article 26 The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their Directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.	Provision concerning “Supervisor” is removed due to the establishment of the Audit Committee.
Article 27 These Principles shall be implemented after the Board of Directors grants the approval, and shall be <u>sent to the supervisors</u> and reported at a shareholders' meeting. The same procedure shall be followed when these Principles have been amended. <u>The Company had established Independent Directors.</u> When the Company submits its ethical corporate	Article 27 These Principles shall be implemented after the Board of Directors grants the approval, and shall be reported at a shareholders' meeting. The same procedure shall be followed when these Principles have been amended. When the Company submits its ethical corporate management best practice principles to the Board of Directors for	Same as above. Amended in accordance with Letter No.

Current Provision	After Amendment	Explanation
management best practice principles to the Board of Directors for discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each Independent Director's opinions. Any objections or reservations of any Independent Director shall be recorded in the minutes of the Board meeting. An Independent Director that cannot attend the Board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board meeting.	discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each Independent Director's opinions. Any objections or reservations of any Independent Director shall be recorded in the minutes of the Board meeting. An Independent Director that cannot attend the Board meeting in person to express objections or reservations shall provide a written opinion before the Board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board meeting.	1080008378 issued by Taiwan Stock Exchange Corporation on May 23, 2019.
<u>The Company has established the Audit Committee, so the provisions regarding Supervisors in these Principles shall apply mutatis mutandis to the Audit Committee.</u>	<u>Deleted.</u>	Provision concerning “supervisor” is removed due to the establishment of the Audit Committee.
<u>Added.</u>	<u>Article 28</u> <u>This amendment was made on Mar. 23, 2020.</u>	Added the date of this amendment.

Attachment V

Kedge Construction Co., Ltd.

Comparison Table for Amendments to the Corporate Social Responsibility Best Practice Principles

Current Provision	After Amendment	Explanation
Article 3 Paragraph 1: Omitted. <u>Added.</u>	Article 3 Paragraph 1: Omitted. <u>The Company shall conduct risk assessments on environmental, social, and corporate governance issues related to its operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies.</u>	Amended in accordance with Letter No. 1090002299 issued by Taiwan Stock Exchange Corporation on Feb. 13, 2020.
Article 17 The Company shall <u>monitor</u> the impact of climate <u>change on their operations</u> and should establish company strategies for energy conservation and carbon and greenhouse gas reduction <u>based upon their operations</u> and the result of a greenhouse gas inventory. Such strategies should include obtaining carbon credits to promote and minimize the impact of their business operations on climate change.	Article 17 The Company shall <u>evaluate the potential risks and opportunities of climate change to the company now and in the future, and take measures to deal with climate-related issues.</u> <u>The Company shall adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:</u> I. <u>Direct greenhouse gas emissions:emissions from operations that are owned or controlled by the Company.</u> II. <u>Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.</u> The Company shall <u>collect</u> statistics on greenhouse <u>gas emissions, water consumption and total weight of waste, and formulate policies for energy conservation and carbon, greenhouse gas reduction and reduction of water consumption and other policies concerning waste management.</u> Such strategies should include obtaining carbon credits to promote and minimize the impact of their business operations on climate change.	Same as above.
Article 21 The Company shall create an environment conducive to the	Article 21 The Company shall create an environment conducive to the	Same as above.

Current Provision	After Amendment	Explanation
development of its employees' careers and establish effective training programs to foster career skills and appropriately reflect the corporate business performance or achievements in the employees' remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.	<u>development of its employees' careers, establish effective training programs to foster career skills, formulate and implement reasonable employee welfare measures (including compensation, leaves and other benefits), etc.</u> and appropriately reflect the corporate business performance or achievements in the employees' remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.	
Article 24 Paragraph 1: Omitted. The Company shall adhere to relevant regulations and international standards for marketing and labeling of products and services. The Company shall not engage in any activities involving deceptive or misleading behaviors, frauds, or other actions which may diminish the trust of consumers or damage consumer interest.	Article 24 Paragraph 1: Omitted. The Company shall adhere to relevant regulations and international standards for <u>the protection of the customers' health, safety and privacy</u> , marketing and labeling for the products and services. The Company shall not engage in any activities involving deceptive or misleading behaviors, frauds, or other actions which may diminish the trust of consumers or damage consumer interest.	Same as above.
Article 26 Paragraph 1: Omitted. Prior to engaging in commercial dealings, the Company shall assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. Paragraph 3: Omitted.	Article 26 Paragraph 1: Omitted. <u>The Company shall formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor human rights.</u> Prior to engaging in commercial dealings, the company shall assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. Paragraph 3: Omitted.	Same as above.
<u>Added.</u>	<u>Article 32</u> <u>This amendment was made on Mar. 23, 2020.</u>	Added the date of this amendment.

Attachment VI

Independent Auditors' Report

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

Audit Opinion

We have audited the consolidated balance sheets of Kedge Construction Co., Ltd., and its subsidiaries ("the Kedge Group") as of December 31, 2019, and 2018, the related consolidated statements of comprehensive income, changes in equity and cash flows for the year 2019 and 2018 from January 1 to December 31, and notes to consolidated financial statements (including a summary on material accounting policies) for the years then ended.

In our opinion, the above consolidated financial report in all material aspects are in compliance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations and Interpretation Announcements endorsed and released effective by the Financial Supervisory Commission (FSC), and are sufficient to present the consolidated financial position of the Kedge Group as of December 31, 2019, and 2018, and its consolidated financial performance and consolidated cash flows for the year 2019 and 2018 from January 1, to December 31.

Foundation of Audit Opinion

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

Key Audit Matters

In our professional judgment, key audit matters refer to the most substantial matters in the audit of the consolidated financial statements of the Kedge Group for the year ended December 31, 2019. These matters were addressed in our audit of the consolidated financial report as a whole and forming our audit opinion. We do not express a separate opinion on these matters. In our judgment, key audit matters that shall be communicated in the audit report are as follows:

I. Construction Contracts

For accounting policies regarding construction contracts, please refer to Note 4 (14) of the consolidated financial statements for revenue recognition. For accounting estimates and hypothetical uncertainties of estimated total contract costs for construction contracts, please refer to Note 5 of the consolidated financial statements. For details of revenue recognition, please refer to Note 6 (16) of the consolidated financial statements for revenue from customer contracts.

Description of Key Audit Matters:

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

Corresponding Audit Procedures:

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

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

Other Matters

Kedge Construction Co., Ltd. has prepared the individual financial statements for the years ended in 2019 and 2018, for which we have already issued an audit report with an unqualified opinion for reference.

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

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

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

The governing body (including Supervisors) of the Kedge Group is responsible for supervising the financial reporting process.

Auditor's Responsibility for Auditing Consolidated Financial Statements

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

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

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

5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements fairly represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the Group to express opinions on the consolidated financial statements. We are responsible for the guidance, supervision, and implementation of the Group's audit cases, and for forming the Group's audit opinions.

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

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

From the matters communicated with the governance body, we conclude the key audit matters for the audit of the Kedge Group's consolidated financial statements for 2019. We state such matters in the audit report unless the law or regulation does not allow public disclosure of specific matters. Or in rare circumstances, we determine not to communicate specific matters in the audit report due to the reasonable probability that the negative impact of such communication is greater than the public interest.

KPMG

Taipei, Taiwan

Republic of China

March 23, 2020

Notices to Readers

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

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

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

KEDGE CONSTRUCTION CO., LTD. and Its Subsidiaries
Consolidated Balance Sheets
December 31, 2019 and 2018

Unit: NT\$ thousands

		2019.12.31		2018.12.31				2019.12.31		2018.12.31	
Assets		Amount	%	Amount	%	Liabilities and equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents	\$ 2,526,409	31	1,333,037	19	2100	Short-term loans	\$ 150,000	2	-	-
1110	Financial assets at fair value through profit or loss - current	74,118	1	67,175	1	2130	Contract liabilities - current	988,111	12	960,840	14
1140	Contract assets - current	1,594,708	19	1,209,724	17	2150	Notes payable	361,911	4	394,924	6
1170	Notes and accounts receivable - net amount	1,127,588	14	757,261	11	2170	Accounts payable	3,599,351	43	2,656,398	38
1180	Notes and accounts receivable - related parties net amount	1,913,375	23	2,636,648	38	2200	Other payables	258,940	3	246,844	4
1410	Prepayments	205,683	2	178,300	3	2230	Current tax liabilities	50,362	1	86,775	1
1470	Other current assets	22,524	1	20,731	-	2300	Other current liabilities	18,850	-	23,045	-
1476	Other financial assets - current	243,636	3	341,866	5		-	5,427,525	65	4,368,826	63
	-	7,708,041	94	6,544,742	94		Non-current liabilities:				
	Non-current assets:				2552		Warranted long-term provisions	102,482	1	79,261	1
1550	Investments accounted for using equity method	20,506	-	20,505	1	2600	Other non-current liabilities	5,719	-	2,719	-
1517	Financial assets measured at fair value through other comprehensive income - non-current	344,872	4	221,861	3	2640	Net defined benefit liabilities - non-current	-	-	55	-
							-	108,201	1	82,035	1
1600	Property, plant and equipment	63,116	1	63,438	1		Total Liabilities	5,535,726	66	4,450,861	64
1755	Right-of-use assets	4,393	-	-	-						
1760	Net investment property	102,544	1	103,010	1		Equities attributable to owners of parent company:				
1840	Deferred tax assets	24,060	-	20,985	-	3100	Share capital	1,060,357	13	1,060,357	15
1975	Net defined benefit assets - non-current	1,361	-	-	-	3200	Capital surplus	518,241	6	518,208	7
1980	Other financial assets - non-current	7,955	-	9,242	-	3300	Retained earnings	1,036,204	13	951,056	14
		568,807	6	439,041	6	3400	Other equity	126,159	2	3,177	-
						36XX	Total equity attributable to owners of parent company	2,740,961	34	2,532,798	36
							Uncontrolled equity	161	-	124	-
							Total equity	2,741,122	34	2,532,922	36
	Total assets	\$ 8,276,848	100	6,983,783	100		Total liabilities and equity	\$ 8,276,848	100	6,983,783	100

KEDGE CONSTRUCTION CO., LTD. and Its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2019 and 2018

Unit: NT\$ thousands

		2019		2018	
		Amount	%	Amount	%
4000	Operating revenue	\$ 11,462,442	100	11,429,192	100
5000	Operating costs	10,744,281	94	10,700,319	94
	Gross profit	718,161	6	728,873	6
	Operating expense:				
6200	Administrative expenses	247,780	2	226,054	2
	Net operating profit	470,381	4	502,819	4
	Non-operating income and expenses:				
7010	Other incomes	24,635	1	26,715	1
7020	Other gains and losses	7,027	-	(10,341)	-
7050	Financial Costs	(2,130)	-	(2,002)	-
7060	Share of profit and loss of associates and joint ventures using equity method recognition	1	-	8	-
		29,533	1	14,380	1
	Profit before tax from continuing operating department	499,914	5	517,199	5
7950	Less: Income tax expense	97,558	1	109,686	1
	Net income	402,356	4	407,513	4
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	907	-	571	-
8316	Unrealized profits and losses from investments in equity instruments measured at fair value through other comprehensive income	123,011	1	(897)	-
8300	Other comprehensive income (net amount after tax)	123,918	1	(326)	-
	Total comprehensive income (loss)	\$ 526,274	5	407,187	4
	Net income attributable to:				
	Owners of the parent company	\$ 402,348	4	407,506	4
8620	Non-controlling interest	8	-	7	-
		\$ 402,356	4	407,513	4
	Total comprehensive income attributable to:				
	Owners of the parent company	\$ 526,237	5	407,180	4
	Non-controlling interests	37	-	7	-
		\$ 526,274	5	407,187	4
	Earnings per share (NT\$)				
9750	Basic earnings per share (NT\$)	\$ 3.79		3.84	
9850	Diluted earnings per share (NT\$)	\$ 3.79		3.83	

KEDGE CONSTRUCTION CO., LTD. and Its Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2019 and 2018

Unit: NT\$ thousands

	Equity attributable to the owner of the parent company									
	Equity	Retained earnings				Other equity items		Total equity attributable to owners of the parent	Non-controlling interest	Total equity
		Share capital - ordinary share	Capital surplus	Legal capital surplus	Undistributed earnings	Total	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income			
Balance as of January 1, 2018	\$ 1,060,357	518,031	171,703	592,677	764,380	-	11,710	2,354,478	117	2,354,595
Adjustment for retrospective application of new standards	-	-	-	7,636	7,636	4,074	(11,710)	-	-	-
Balance after restatement as of January 1, 2018	1,060,357	518,031	171,703	600,313	772,016	4,074	-	2,354,478	117	2,354,595
Net income	-	-	-	407,506	407,506	-	-	407,506	7	407,513
Other comprehensive income	-	-	-	571	571	(897)	-	(326)	-	(326)
Total comprehensive income	-	-	-	408,077	408,077	(897)	-	407,180	7	407,187
Earnings appropriation and distribution:										
Provision for legal capital reserve	-	-	29,532	(29,532)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(229,037)	(229,037)	-	-	(229,037)	-	(229,037)
Past due cash dividends	-	177	-	-	-	-	-	177	-	177
Balance as of December 31, 2018	1,060,357	518,208	201,235	749,821	951,056	3,177	-	2,532,798	124	2,532,922
Net income	-	-	-	402,348	402,348	-	-	402,348	8	402,356
Other comprehensive income	-	-	-	907	907	122,982	-	123,889	29	123,918
Total comprehensive income	-	-	-	403,255	403,255	122,982	-	526,237	37	526,274
Earnings appropriation and distribution:										
Provision for legal capital surplus	-	-	40,751	(40,751)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(318,107)	(318,107)	-	-	(318,107)	-	(318,107)
Past due cash dividends	-	33	-	-	-	-	-	33	-	33
Balance as of December 31, 2019	\$ 1,060,357	518,241	241,986	794,218	1,036,204	126,159	-	2,740,961	161	2,741,122

KEDGE CONSTRUCTION CO., LTD. and Its Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2019 and 2018

	Unit: NT\$ thousands	
	2019	2018
Cash flows from operating activities:		
Profit before tax	\$ 499,914	517,199
Adjustments:		
Income and expenses item		
Depreciation expense	941	829
Net (profit) loss on financial assets or liabilities at fair value through profit or loss,	(7,027)	6,455
Interest expense	2,130	2,002
Interest revenue	(6,289)	(13,606)
Dividend income	(12,870)	(7,728)
Share of profit of associates and joint ventures using equity method recognition	(1)	(8)
Total income and expense items	<u>(23,116)</u>	<u>(12,056)</u>
Movement of assets/liabilities relating to operating activities		
Net movement of assets relating to operating activities:		
Reduction of financial assets enforced at fair value through profit or loss	84	322
Decrease (increase) in contract asset	(384,984)	279,886
Increase in notes and accounts receivable	(370,327)	(107,887)
Notes and accounts receivable - decrease (increase) in related parties	723,273	(1,135,546)
Decrease (increase) in prepayments	(27,383)	21,802
Increase in other current assets	(1,793)	(4,414)
Decrease (increase) in other financial assets	98,707	(9,716)
Increase in non-current net defined benefit assets-	<u>(1,361)</u>	<u>-</u>
Total net movement of assets relating to operating activities	<u>36,216</u>	<u>(955,553)</u>
Total net movement of liabilities relating to operating activities		
Increase in contract liabilities	27,271	19,140
Increase (decrease) in notes payable	(33,013)	76,636
Increase in accounts payable	942,953	231,216
Increase in other payables	12,129	7,327
Increase in liability reserve	23,221	20,176
Increase (decrease) in other current liabilities	(4,317)	1,569
Increases (decreases) in net defined benefit liabilities	852	(576)
Increase (decrease) in other non-current liabilities	<u>(1,305)</u>	<u>1,197</u>
Total net movement of liabilities relating to operating activities	<u>967,791</u>	<u>356,685</u>
Total net movement of assets and liabilities relating to operating activities	<u>1,004,007</u>	<u>(598,868)</u>
Total adjustment items	<u>980,891</u>	<u>(610,924)</u>
Cash inflow (outflow) generated from operation	1,480,805	(93,725)
Interest collection	5,813	13,495
Dividends collection	12,870	7,728
Interest payment	(2,130)	(2,002)
Income tax payment	<u>(137,046)</u>	<u>(67,464)</u>
Net cash inflow (outflow) from operating activities	<u>1,360,312</u>	<u>(141,968)</u>
Cash flows from investing activities		
Decrease in other financial assets	<u>1,287</u>	<u>2,907</u>
Net cash inflow from investing activities	<u>1,287</u>	<u>2,907</u>
Cash flows from financing activities		
Increase in short-term loans	321,000	436,000
Decrease in short-term loans	(171,000)	(586,000)
Increase in short-term promissory notes payable	90,000	50,000
Decrease in short-term promissory notes payable	(90,000)	(100,000)
Repayment of lease principal amount	(120)	-
Cash dividend distribution	<u>(318,107)</u>	<u>(229,037)</u>
Net cash outflow from financing activities	<u>(168,227)</u>	<u>(429,037)</u>
Increase (decrease) in cash and cash equivalents	1,193,372	(568,098)
Opening balance of cash and cash equivalents of the period	<u>1,333,037</u>	<u>1,901,135</u>
Ending balance of cash and cash equivalents of the period	<u>\$ 2,526,409</u>	<u>1,333,037</u>

Independent Auditors' Report

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

Audit Opinion

We have audited the balance sheets of Kedge Construction Co., Ltd. as of December 31, 2019, and 2018, the statements of comprehensive income, changes in equity and cash flows for the year 2019 and 2018 from January 1 to December 31, as well as notes to parent company only financial statements (including a summary on material accounting policies) for years then ended.

In our opinion, the aforementioned parent company only financial statements in all material aspects are in compliance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and are sufficient to present the financial position of Kedge Construction Co., Ltd. as of December 31, 2019, and 2018, and its financial performance and cash flows for the year 2019 and 2018 from January 1, to December 31.

Foundation of Audit Opinion

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

Key Audit Matters

In our professional judgment, key audit matters refer to the most substantial matters in the audit of parent company only financial statements of Kedge Construction Co., Ltd. for the year ended December 31, 2019. These matters were addressed in our audit of parent company only financial statements as a whole and forming our audit opinion. We do not express a separate opinion on these matters. In our judgment, key audit matters that shall be communicated in the audit report are as follows:

I. Construction Contracts

Please refer to Note 4 (13) "revenue recognition" of parent company only financial statements for details of the accounting policies related to the building contracts. Please refer to Note 5 of parent company only financial statements for details of the accounting estimates and assumed uncertainties of estimated total contract cost of the building contracts. Please refer to Note 6 (15) "revenue of the client contracts" of parent company only financial statements for details of revenue recognition and the accumulated cost incurred.

Description of Key Audit Matters:

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

Corresponding Audit Procedures:

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

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

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

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

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

The governing body (including Supervisors) of Kedge Construction Co., Ltd. is responsible for supervising the financial reporting process.

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

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

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

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

Evaluate the overall presentation, structure, and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements fairly represent the underlying transactions and events.

5. Obtain sufficient and appropriate audit evidence for the financial information of the invested company adopting the equity method to express opinions on the parent company only financial statements. We are responsible for the guidance, supervision, and implementation of the audit cases, and for forming the audit opinions for Kedge Construction Co., Ltd.

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

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

From the matters communicated with the governance body, we conclude the key audit matters of the audit for the parent company only financial statements in 2019 of Kedge Construction Co., Ltd. We state such matters in the audit report unless the law or regulation does not allow public disclosure of specific matters. Or in rare circumstances, we determine not to communicate specific matters in the audit report due to the reasonable probability that the negative impact of such communication is greater than the public interest.

KPMG

Taipei, Taiwan

Republic of China

March 23, 2020

Notices to Readers

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

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

Balance Sheets

December 31, 2019 and 2018

2018.12.31

1 2018.12.31

Assets		Amount	%	Amount	%	Liabilities and equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents	\$ 2,288,640	28	1,130,538	16	2100	Short-term loans	\$ 150,000	2	-	-
1110	Financial assets at fair value through profit or loss - current	22,474	-	17,835	-	2130	Contract liabilities - current	978,454	12	995,684	14
1170	Notes and accounts receivable - net amount	1,127,588	15	737,620	11	2150	Notes payable	356,433	4	377,531	5
1180	Notes and accounts receivable - affiliates net amount	1,908,205	23	2,626,309	38	2170	Accounts payable	3,497,894	43	2,538,707	37
1140	Contract assets - current	1,555,198	19	1,195,153	17	2200	Other payables	253,702	3	241,283	5
1410	Prepayments	202,562	2	174,816	3	2230	Current tax liabilities	47,929	1	81,171	1
1470	Prepayments	20,579	-	17,943	-	2300	Other current liabilities	18,572	-	22,914	-
1476	Other financial assets - current	243,552	4	341,814	7	-		5,302,984	65	4,257,290	62
-		7,368,798	91	6,242,028	92	Non-current liabilities:					
Non-current assets:						2552	Warranty long-term provisions	101,321	1	78,040	1
1518	Equity instrument measured at fair value through other comprehensive income	15,950	-	10,225	-	2640	Net defined benefit liabilities - non-current	-	-	55	-
1550	Investments accounted for using equity method	573,005	7	432,163	6	2600	Other non-current liabilities	1,415	-	2,719	-
1600	Property, plant and equipment	53,254	1	53,501	1	-		102,736	1	80,814	1
1760	Net investment property	102,544	1	103,010	1	Total liabilities		5,405,720	66	4,338,104	63
1840	Deferred tax assets	23,814	-	20,734	-	Equity					
1975	Net defined benefit assets - non-current	1,361	-	-	-	3100	Share capital	1,060,357	13	1,060,357	15
1980	Other financial assets - non-current	7,955	-	9,241	-	3200	Capital surplus	518,241	6	518,208	8
		777,883	9	628,874	8	3300	Retained earnings	1,036,204	13	951,056	14
						3400	Other equity	126,159	2	3,177	-
Total assets		\$ 8,146,681	100	6,870,902	100	Total equity		2,740,961	34	2,532,798	37
						Total liabilities and equity		\$ 8,146,681	100	6,870,902	100

KEDGE CONSTRUCTION CO., LTD.
Statements of Comprehensive Income
January 1 to December 31, 2019 and 2018

Unit: NT\$ thousands

		2019		2018	
		Amount	%	Amount	%
4000	Operating revenue	\$ 11,362,618	100	11,318,212	100
5000	Operating costs	10,667,867	94	10,623,142	94
	Gross profit	694,751	6	695,070	6
	Operating expense:				
6200	Administrative expense	234,713	2	211,859	2
	Net operating profit	460,038	4	483,211	4
	Non-operating income and expense:				
7010	Other incomes	8,849	-	17,958	-
7020	Other gains and losses	4,723	-	(5,413)	-
7050	Financial costs	(2,053)	-	(2,002)	-
7070	Share of profit and loss of subsidiaries, associates and joint ventures using equity method recognition	23,586	-	17,610	-
		35,105	-	28,153	-
	Profit before tax from continuing operating department	495,143	4	511,364	4
7950	Less: Income tax expense	92,795	1	103,858	1
	Net income	402,348	3	407,506	3
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurements of defined benefit plans	907	-	571	-
8316	Unrealized profits and losses from investments in equity instruments measured at fair value through other comprehensive income	122,982	1	(897)	-
		123,889	1	(326)	-
8300	Other comprehensive income (net amount after tax)	123,889	1	(326)	-
	Total comprehensive income (loss)	\$ 526,237	4	407,180	3
	Earnings per share (NT\$)				
9750	Basic earnings per share (NT\$)	\$ 3.79		3.84	
9850	Diluted earnings per share (NT\$)	\$ 3.79		3.83	

KEDGE CONSTRUCTION CO., LTD.
Statement of Changes in Equity
January 1 to December 31, 2019 and 2018

Unit: NT\$ thousands

	Equity		Retained earnings			Other equity items		
	Share capital - ordinary share	Capital surplus	Legal capital reserve	Undistributed earnings	Total	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income	Unrealized profit or loss of available-for-sale financial assets	Total equity
Balance as of January 1, 2018	\$ 1,060,357	518,031	171,703	592,677	764,380	-	11,710	2,354,478
Adjustment for retrospective application of new standards	-	-	-	7,636	7,636	4,074	(11,710)	-
Opening balance of the period after restatement	1,060,357	518,031	171,703	600,313	772,016	4,074	-	2,354,478
Net income	-	-	-	407,506	407,506	-	-	407,506
Other comprehensive income (loss) in this period	-	-	-	571	571	(897)	-	(326)
Other comprehensive income	-	-	-	408,077	408,077	(897)	-	407,180
Earnings appropriation and distribution:								
Provision for legal capital reserve	-	-	29,532	(29,532)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(229,037)	(229,037)	-	-	(229,037)
Overdue unclaimed cash dividends	-	177	-	-	-	-	-	177
Balance as of December 31, 2018	1,060,357	518,208	201,235	749,821	951,056	3,177	-	2,532,798
Net income	-	-	-	402,348	402,348	-	-	402,348
Other comprehensive income	-	-	-	907	907	122,982	-	123,889
Total comprehensive income	-	-	-	403,255	403,255	122,982	-	526,237
Earnings appropriation and distribution:								
Provision for legal capital reserve	-	-	40,751	(40,751)	-	-	-	-
Cash dividends of ordinary share	-	-	-	(318,107)	(318,107)	-	-	(318,107)
Overdue unclaimed cash dividends	-	33	-	-	-	-	-	33
Balance as of December 31, 2019	\$ 1,060,357	518,241	241,986	794,218	1,036,204	126,159	-	2,740,961

KEDGE CONSTRUCTION CO., LTD.
Statements of Cash Flows
January 1 to December 31, 2019 and 2018

Unit: NT\$ thousands

	2019	2018
Cash flows from operating activities:		
Profit before tax for the period	\$ 495,143	511,364
Adjustments:		
Income and expenses item		
Depreciation expense	713	755
Net (profit) loss on financial assets or liabilities at fair value through profit or loss	(4,723)	1,527
Interest expense	2,053	2,002
Interest revenue	(5,540)	(13,123)
Dividend income	(500)	(250)
Share of profit of subsidiaries, associates and joint ventures using equity method recognition	(23,586)	(17,610)
Total income and expense items	(31,583)	(26,699)
Movement of assets/liabilities relating to operating activities:		
Net movement of assets relating to operating activities:		
Reduction of financial assets enforced at fair value through profit or loss	84	48
Increase in notes and accounts receivable	(389,968)	(94,237)
Notes and accounts receivable - decrease (increase) in affiliates	718,104	(1,148,353)
Decrease (increase) in contract asset	(360,045)	256,758
Decrease (increase) in prepayments	(27,746)	24,767
Increase in other current assets	(2,636)	(4,804)
Decrease (increase) in other financial assets	98,665	(9,722)
Increase in non-current net defined benefit assets-	(1,361)	-
Total net movement of assets relating to operating activities	35,097	(975,543)
Total net movement of liabilities relating to operating activities		
Increase (decrease) in notes payable	(21,098)	66,543
Increase in accounts payable	959,187	219,440
Increase (decrease) in contract liabilities	(17,230)	53,984
Increase in other payable	12,452	6,501
Increase in liability reserve	23,281	20,481
Increase (decrease) in other current liabilities	(4,342)	1,590
Increase (decrease) in net defined benefit liabilities	852	(576)
Increase (decrease) in other non-current liabilities	(1,304)	1,197
Total net movement of liabilities relating to operating activities	951,798	369,160
Total net movement of assets and liabilities relating to operating activities	986,895	(606,383)
Total adjustment items	955,312	(633,082)
Cash inflows (outflows) generated from operation	1,450,455	(121,718)
Interest collection	5,138	13,016
Dividends collection	500	250
Interest payment	(2,053)	(2,002)
Income tax payment	(129,117)	(64,467)
Net cash inflow (outflow) from operating activities	1,324,923	(174,921)
Cash flows from investing activities		
Decrease in other financial assets	1,286	2,909
Net cash inflow from investing activities	1,286	2,909
Cash flows from financing activities		
Increase in short-term loans	321,000	436,000
Decrease in short-term loans	(171,000)	(586,000)
Increase in short-term promissory notes payable	90,000	50,000
Decrease in short-term promissory notes payable	(90,000)	(100,000)
Cash dividend distribution	(318,107)	(229,037)
Overdue unclaimed dividends	-	177
Net cash outflow from financing activities	(168,107)	(428,860)
Increase (decrease) in cash and cash equivalents	1,158,102	(600,872)
Opening balance of cash and cash equivalents of the period	1,130,538	1,731,410
Ending balance of cash and cash equivalents of the period	\$ 2,288,640	1,130,538

Attachment VII

Kedge Construction Co., Ltd.

Earnings Distribution

2019

Unit: NT\$

Beginning balance of undistributed earnings	\$ 390,963,105
Add: Changes of remeasurements of defined benefit plans for the period	907,016
Add: Net profit after tax	<u>402,348,412</u>
Distributable net profit	794,218,533
Less: Appropriation of legal capital reserve	(40,325,542)
Less: Allocation Items	
Shareholders' bonus - cash dividend (NT\$3 per share)	<u>(318,106,980)</u>
Undistributed earnings at the end of the period	<u>\$ 435,786,011</u>

Note: Shareholder dividends are distributed primarily by the 2019 annual surplus.

Chairman:
Miriam Ma

General Manager:
Hui-Jen Huang

Accounting Supervisor:
Li-Ya Chen

Attachment VIII

Kedge Construction Co., Ltd.

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

Current Provision	After Amendment	Explanation
IV. Operating procedures: (I) Authorization limits and levels 1~2:Omitted. 3. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more: The Company shall in accordance with the provisions in Chapter II of these rules, prepare relevant information and submit such information to the Board of Directors and <u>the Supervisors</u>. The Company may not proceed to enter into a transaction contract or make a payment until the information submitted have been approved by the Board of Directors and recognized by the Supervisors. 4. Omitted. 5. Others: Shall be handled in accordance with the operating procedures stipulated by the internal control system and verification authority. If the transaction amount reaches the publishing standard in Article 5, except for acquisition and disposal of the equipment or right-of-use assets for business use, land acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale may request rectification of the Board of Directors after the fact, all other	IV. Operating procedures: (I) Authorization limits and levels 1~2:Omitted. 3. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, it shall prepare relevant information and submit such information to the Board of Directors and <u>the Audit Committee</u> in accordance with the provisions in Chapter II of these Rules. The Company may not proceed to enter into a transaction contract or make a payment until the information submitted have been approved by the Board of Directors and the Audit Committee. 4. Omitted. 5. Others: Shall be handled in accordance with the operating procedures stipulated by the internal control system and verification authority. If the transaction amount reaches the publishing standard in Article 5, except for acquisition and disposal of the equipment or right-of-use assets for business use, land acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale may request rectification of the Board of Directors after the fact, all other	Added provisions for relevant items to be submitted for resolution due to the establishment of the Audit Committee.

Current Provision	After Amendment	Explanation
acquisition and disposal shall be approved by the Board of Directors. Situations stipulated under Article 185 of the Company Act shall be approved by the shareholders' meeting.	acquisition and disposal shall be approved by the Board of Directors. <u>Where an item is submitted for discussion in accordance with the preceding paragraph, the item shall first be approved by one-half or more of all Audit Committee members and submitted to the Board of Directors for a resolution. If approval of one-half or more of all Audit Committee members as required is not obtained, the procedures may be implemented if approved by two-thirds or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.</u> Situations stipulated under Article 185 of the Company Act shall be approved by the shareholders' meeting.	
(II) Omitted.	(II) Omitted.	
VII. Scope and Limits to Investment: In addition to acquiring assets held for business use, the Company and its subsidiaries may also invest in the purchase of real estate and right-to-use assets or securities not held for business use. The limits are as follows respectively. In Subparagraphs 4 and 5 below, long-term investments where the Company and its subsidiaries participate in incorporation or act as Directors <u>and Supervisors</u> may be excluded from the calculation. Subsidiaries shall be as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. (I)~(VI): Omitted.	VII. Scope and Limits to Investment: In addition to acquiring assets held for business use, the Company and its subsidiaries may also invest in the purchase of real estate and right-to-use assets or securities not held for business use. The limits are as follows respectively. In Subparagraphs 4 and 5 below, long-term investments where the Company and its subsidiaries participate in incorporation or act as Directors may be excluded from the calculation. Subsidiaries shall be as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. (I)~(VI): Omitted.	Replaced the Supervisors with the Audit Committee.
VIII. Control for the acquisition and disposal of assets by subsidiaries: (I) Omitted. (II) Assets acquired or disposed by the Company's subsidiaries shall be conducted in accordance with the separate Internal Control System and Procedures for Acquisition or Disposal of Assets. The subsidiaries shall compile monthly reports on the status of acquired or disposed assets with values exceeding NT\$10 million or where the aggregated amount of transactions of the same	VIII. Control for the acquisition and disposal of assets by subsidiaries: (I) Omitted. (II) Assets acquired or disposed by the Company's subsidiaries shall be conducted in accordance with the separate Internal Control System and Procedures for Acquisition or Disposal of Assets. The subsidiaries shall compile monthly reports on the status of acquired or disposed assets with values exceeding NT\$10 million or where the aggregated amount of	Same as above.

Current Provision	After Amendment	Explanation
nature exceeds NT\$10 million in the preceding month and the status of derivatives trading up to the end of the preceding month, and report to the Company in writing before the 5th day of each month. The audit unit of the Company shall list the assets acquired or disposed by the subsidiaries to others as one of the monthly audit items, and the auditing situation shall be listed as one of the necessary items in the audit report to the Board of Directors and <u>Supervisors</u>. (III)~(IV): Omitted.	transactions of the same nature exceeds NT\$10 million in the preceding month and the status of derivatives trading up to the end of the preceding month, and report to the Company in writing before the 5th day of each month. The audit unit of the Company shall list the assets acquired or disposed by the subsidiaries to others as one of the monthly audit items, and the auditing situation shall be listed as one of the necessary items in the audit report to the Board of Directors and <u>the Audit Committee</u>. (III)~(IV): Omitted.	
IX. Penalties: In the event that the the persons in charge of the Company's acquisition or disposal of assets violate the Regulations Governing the Acquisition and Disposal of Assets by Public Companies from the competent authority or this Procedures, the following measures shall be taken depending on the violation. The record of non-compliance will serve as a reference for the annual performance evaluation. (I)~(II): Omitted. (III) If the Board of Directors or Directors violated the relevant regulations and the resolutions of the shareholders' meeting, the <u>Supervisors</u> shall notify the Board of Directors or Directors in accordance with Article 218-2 of the Company Act.	IX. Penalties: In the event that the persons in charge of the Company's acquisition or disposal of assets violate the Regulations Governing the Acquisition and Disposal of Assets by Public Companies from the competent authority or this Procedures, the following measures shall be taken depending on the violation. The record of non-compliance will serve as a reference for the annual performance evaluation. (I)~(II): Omitted. (III) If the Board of Directors or Directors violated the relevant regulations and the resolutions of the shareholders' meeting, <u>the Audit Committee</u> shall notify the Board of Directors or Directors in accordance with Article 218-2 of the Company Act.	Same as above.
XI. Resolution procedure: When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets as stated in the most recent individual financial statements, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds	XI. Resolution procedure: When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets as stated in the most recent individual financial statements, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds	Same as above.

Current Provision	After Amendment	Explanation
issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been submitted to the board by the units responsible for implementation and approved by the Board of Directors and <u>recognized by the Supervisors</u> : (I)~(VII): Omitted. Paragraph 2: Omitted.	issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been submitted to the board by the units responsible for implementation and approved by the Board of Directors and <u>the Audit Committee</u> : (I)~(VII): Omitted. Paragraph 2: Omitted.	
XIII. Matters shall be handled when the appraised transaction cost is lower than the transaction price: Paragraphs 1 to 2: Omitted. Where the Company acquires real property or right-of-use assets thereof from a related party and the results of the appraised transaction cost conducted in accordance with the preceding Article are uniformly lower than the transaction price in the absence of the circumstances mentioned in Paragraphs 1 of this Article, the following steps shall be taken: (I) Omitted. (II) <u>Supervisors</u> shall comply with Article 218 of the Company Act. (III) Omitted. Paragraphs 4 to 5: Omitted.	XIII. Matters shall be handled when the appraised transaction cost is lower than the transaction price: Paragraphs 1 to 2: Omitted. Where the Company acquires real property or right-of-use assets thereof from a related party and the results of the appraised transaction cost conducted in accordance with the preceding Article are uniformly lower than the transaction price in the absence of the circumstances mentioned in Paragraphs 1 of this Article, the following steps shall be taken: (I) Omitted. (II) <u>Audit Committee</u> shall comply with Article 218 of the Company Act. (III) Omitted. Paragraphs 4 to 5: Omitted.	Same as above.
XIV. Transaction Principles and Guidelines: (I) Transaction type: The Company may engage in the types of derivative commodities, including forward contracts, options, interest rate and exchange rate exchanges, futures, and <u>composite contracts</u> of the above-mentioned commodities. Approval from the Board of Directors shall be obtained before engaging in transactions involving other instruments. (II)~(VI): Omitted.	XIV. Transaction Principles and Guidelines: (I) Transaction type: The Company may engage in the types of derivative commodities, including forward contracts, options, interest rate and exchange rate exchanges, futures, leverage contracts, <u>hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives</u> . Approval from <u>the Audit Committee</u> and the Board of Directors shall be obtained before engaging in transactions involving other instruments. (II)~(VI): Omitted.	Amendments to the wording to replace the Supervisors with the Audit Committee.
XVI. Internal audit system: (I) The Company's auditors shall, on a regular basis, check the adequacy of the Company's internal control system for derivatives transactions. They shall	XVI. Internal audit system: (I) The Company's auditors shall, on a regular basis, check the adequacy of the Company's internal control system for derivatives transactions. They shall	Replace the supervisors with the members of the audit

Current Provision	After Amendment	Explanation
conduct monthly audits on the trading department to ensure compliance according to Procedures for Derivatives Trading. Audit reports shall be produced. The auditors are required to immediately notify the Chairman of the Board and senior management designated by the Board of Directors and advise <u>the Supervisors and the Independent Directors</u> in writing if any significant violations are found. (II) Omitted.	conduct monthly audits on the trading department to ensure compliance according to Procedures for Derivatives Trading. Audit reports shall be produced. The auditors are required to immediately notify the Chairman of the Board and senior management designated by the Board of Directors and advise <u>the members of the Audit Committee</u> in writing if any significant violations are found. (II) Omitted.	committee.
XXVI. With respect to any asset acquisition or disposal that is subject to the approval of the Board of Directors in accordance with the Procedures or other laws or regulation, if any Director expresses dissent and it is contained in the records or a written statement, the Company shall submit information regarding the Director's dissenting opinion to the <u>Supervisors</u> . Paragraph 2: Omitted.	XXVI. With respect to any asset acquisition or disposal that is subject to the approval of the Board of Directors in accordance with the Procedures or other laws or regulation, if any Director expresses dissent and it is contained in the records or a written statement, the Company shall submit information regarding the Director's dissenting opinion to the members of the <u>Audit Committee</u> . Paragraph 2: Omitted.	Same as above.
XXVII. The Procedures shall first be passed by the Board of Directors and delivered to <u>all Supervisors</u> before it is submitted to the shareholders' meeting for approval and implementation. The same shall apply to any amendment. If a Director expresses dissent and it is contained in the records or a written statement, the information regarding the Director's dissenting opinion shall be submitted to <u>the Supervisors</u> . <u>Added.</u>	XXVII. The Procedures shall first be passed by the Board of Directors and the <u>Audit Committee</u> before it is submitted to the shareholders' meeting for approval and implementation. The same shall apply to any amendment. If a Director expresses dissent and it is contained in the records or a written statement, the information regarding the Director's dissenting opinion shall be submitted to <u>the members of the Audit Committee</u> . <u>Where the Procedure is submitted for discussion of the Audit Committee in accordance with the preceding paragraph, the Procedure shall first be approved by one-half or more of all Audit Committee members and submitted to the Board of Directors for a resolution. If approval of one-half or more of all Audit Committee members as required is not obtained, the procedures may be implemented if approved by two-thirds or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.</u> <u>The terms "all Audit Committee</u>	Added provisions for relevant items to be submitted for resolution due to the establishment of the Audit Committee.
<u>Added.</u>		

Current Provision	After Amendment	Explanation
When the Procedures are submitted for discussion by the Board of Directors pursuant to the preceding paragraph, the board of Directors shall take into full consideration the opinions of each Independent Director; Independent Directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the Board meeting.	<u>members” and "all Directors" in paragraph 2 shall be counted as the actual number of persons currently holding those positions.</u> When the Procedures are submitted for discussion by the Board of Directors pursuant to the Paragraph 1, the board of directors shall take into full consideration the opinions of each Independent Director; Independent Directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the Board meeting.	
XXVIII. This amendment was made on Jun. <u>17</u>, 20<u>19</u>.	XXVIII. This amendment was made on Jun. <u> </u>, 20<u>20</u>.	Added amendment date of this amendment.

Attachment IX

Kedge Construction Co., Ltd.

Comparison Table for Amendments to the Procedures for Endorsements and Guarantees

Current Provision	After Amendment	Explanation
Chapter 5. Endorsement/Guarantee Procedures I. Omitted. <u>Added.</u>	Chapter 5. Endorsement/Guarantee Procedures I. Omitted. II. <u>Endorsements and guarantees of a material nature shall be approved by one-half or more of all Audit Committee members and submitted to the Board of Directors for a resolution. If approval of one-half or more of all Audit Committee members as required is not obtained, the procedures may be implemented if approved by two-thirds or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting. The terms "all Audit Committee members" and "all Directors" shall be counted as the actual number of persons currently holding those positions.</u>	In accordance with the provisions of the Audit Committee Organizational Rules, added endorsements and guarantees of a material nature shall be approved by the committee.
II~III: Omitted.	III~IV: Omitted.	Adjustment to the numbering.
IV. Internal auditors shall audit the Procedures for Endorsements and Guarantees and the implementation at least once every quarter and prepare written records accordingly. They shall promptly notify <u>the each Supervisor and Independent Director</u> in writing of any material violation found.	V. The internal auditor shall audit the Procedures for Endorsements and Guarantees and its execution process at least quarterly and prepare written records accordingly. If any material violation is found, <u>the each member of the audit committee</u> shall be immediately notified in writing.	Adjustment to the numbering and replacement for the Supervisors with Audit Committee members.
V. Omitted.	VI. Omitted.	Adjustment to the numbering.
VI. If due to changes of circumstances in the Company, the party to whom the Company provides endorsements/guarantees no longer satisfies the criteria set in the Procedure, or the amount of endorsements/guarantees exceeded the limits, the competent department	VII. If due to changes of circumstances in the Company, the party to whom the Company provides endorsements/guarantees no longer satisfies the criteria set in the Procedure, or the amount of endorsements/guarantees exceeded the limits, the competent department	Adjustment to the numbering and replacement for the Supervisors with Audit Committee

Current Provision	After Amendment	Explanation
shall formulate a corrective plan, obtain the approval of the Chairman of the Board and provide such plan <u>to each supervisors and Independent Director</u> and the proposed corrective actions should be implemented within the period specified in the plan. VII~VIII: Omitted.	shall formulate a corrective plan, obtain the approval of the Chairman of the Board and provide such plan to <u>each member of the Audit Committee</u> and the proposed corrective actions should be implemented within the period specified in the plan. XIII~IX: Omitted.	members. Adjustment to the numbering.
Chapter 7. Procedures for Controlling and Managing Endorsements/Guarantees by Subsidiaries I. Omitted. II. If a subsidiary of the Company is to make endorsements/guarantees for others, it shall do so in accordance with the internal control system and the Procedures for Endorsements and Guarantees, and shall submit the written reports of the previous month's endorsement/guarantee balances, subjects and dates to the Company on the 5th day of each month. The audit unit of the Company shall list the endorsements/guarantees provided by subsidiaries as one of the monthly audit items, The implementation of this audit shall be listed as a necessary item when reporting audit operations to the Board of Directors and <u>Supervisors</u>. III. Omitted.	Chapter 7. Procedures for Controlling and Managing Endorsements/Guarantees by Subsidiaries I. I. Omitted. II. If a subsidiary of the Company is to make endorsements/guarantees for others, it shall do so in accordance with the internal control system and the Procedures for Endorsements and Guarantees, and shall submit the written reports of the previous month's endorsement/guarantee balances, subjects and dates to the Company on the 5th day of each month. The audit unit of the Company shall list the endorsements/guarantees provided by subsidiaries as one of the monthly audit items, The implementation of this audit shall be listed as a necessary item when reporting audit operations to <u>the Audit Committee</u> and the Board of Directors. III. Omitted.	Replace the supervisors with the audit committee.
Chapter 11. Penalties In the event that the persons in charge of the Company's provision of endorsements/guarantees violate the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies from the Financial Supervisory Commission or this Procedures, the following measures shall be taken depending on the violation. The record of non-compliance will serve as a reference for the annual performance evaluation. I~II: Omitted.	Chapter 11. Penalties In the event that the the persons in charge of the company's provision of endorsements/guarantees violate the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” from the Financial Supervisory Commission or this Procedures, the following measures shall be taken depending on the violation. The record of non-compliance will serve as a reference for the annual performance evaluation. I~II: Omitted.	

Attachment X

Kedge Construction Co., Ltd.

Comparison Table for Amendments to the Procedures for Extending Loans to Others

Current Provision	After Amendment	Explanation
Article 5 Loaning of Funds Operations (I) Procedures 1. Omitted. <u>Added.</u>	Article 5 Loaning of Funds Operations (I) Procedures 1. Omitted. 2. <u>Loan extensions of a material nature shall be approved by one-half or more of all Audit Committee members and submitted to the Board of Directors for a resolution. If approval of one-half or more of all Audit Committee members as required is not obtained, the procedures may be implemented if approved by two-thirds or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting. The terms "all Audit Committee members" and "all Directors" shall be counted as the actual number of persons currently holding those positions.</u>	In accordance with the provisions of the Audit Committee Organizational Rules, added loan extensions of a material nature shall be approved by the Committee.
2. Omitted.	3. Omitted.	Adjustment to the numbering.
3. Internal auditors shall audit the Procedures for Extending Loans to Others and the implementation status on a quarterly basis and develop written records accordingly. If any material violation is found, the company shall immediately notify all <u>the Supervisors</u> in writing.	4. Internal auditors shall audit the Procedures for Extending Loans to Others and the implementation status on a quarterly basis and develop written records accordingly. If any material violation is found, the Company shall immediately notify all <u>the members of the Audit Committee</u> in writing.	Adjustment to the numbering and replacement for the Supervisors with Audit Committee members.
4. Omitted.	5. Omitted.	Adjustment to the numbering.
5. If, due to changes of circumstances in the Company, a borrower no longer satisfies the criteria set forth in the relevant regulations or its balance exceeds the maximum lending limit, the financial unit shall provide a corrective plan to the each <u>Supervisor</u> and the proposed corrective actions should be implemented within the period specified in the plan.	6. If, due to changes of circumstances in the company, a borrower no longer satisfy the criteria set forth in the relevant regulations or its balance exceeds the maximum lending limit, the financial unit shall provide a corrective plan to the each <u>member of the Audit Committee</u> and the proposed corrective actions should be implemented within the period specified in the plan.	Adjustment to the numbering and replacement for the Supervisors with Audit Committee members.

Current Provision	After Amendment	Explanation
(II) Omitted.	(II) Omitted.	
Article 9 Procedures for Controlling and Managing Extension of Loans by Subsidiaries (I) Omitted. (II) If a subsidiary of the Company is to extend loans to others, it shall do so in accordance with the internal control system and the Procedures for Extending Loans to Others, and shall submit the written reports of the previous month's loan balances, borrowers and dates to the Company on the 5th day of each month. The audit unit of the Company shall list the loans extended by subsidiaries as one of the monthly audit items, The implementation of this audit shall be listed as a necessary item when reporting audit operations to the Board of Directors <u>and Supervisors</u> .	Article 9 Procedures for Controlling and Managing Extension of Loans by Subsidiaries (I) Omitted. (II) If a subsidiary of the Company is to extend loans to others, it shall do so in accordance with the internal control system and the Procedures for Extending Loans to Others, and shall submit the written reports of the previous month's loan balances, borrowers and dates to the Company on the 5th day of each month. The audit unit of the Company shall list the loans extended by subsidiaries as one of the monthly audit items, the implementation of this audit shall be listed as a necessary item when reporting audit operations to <u>the Audit Committee</u> and the Board of Directors.	Replaced the Supervisors with the Audit Committee.
(III) Omitted.	(III) Omitted.	
Article 10 Penalties In the event that the the persons in charge of the Company's extension of loans violate the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies from the Financial Supervisory Commission or this Procedures, the following measures shall be taken depending on the violation. The record of non-compliance will serve as a reference for the annual performance evaluation. (I)~(II): Omitted. (III) If the Board of Directors or Directors violated the relevant regulations and the resolutions of the shareholders' meeting, <u>the Supervisors</u> shall notify the Board of Directors or Directors in accordance with Article 218-2 of the Company Act.	Article 10 Penalties In the event that the persons in charge of the Company's extension of loans violate the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies from the Financial Supervisory Commission or this Procedures, the following measures shall be taken depending on the violation. The record of non-compliance will serve as a reference for the annual performance evaluation. (I)~(II): Omitted. (III) If the Board of Directors or Directors violated the relevant regulations and the resolutions of the shareholders' meeting, <u>the Audit Committee</u> shall notify the Board of Directors or Directors in accordance with Article 218-2 of the Company Act.	Replaced the Supervisors with the Audit Committee.
Article 11 The Procedures will be implemented after passing resolution of the Board of Directors and being sent to <u>Supervisors</u> and shareholders' meeting for approval. If there is any Director expresses dissent and it is contained in	Article 11 The Procedures will be implemented after passing resolution of the Board of Directors <u>and Audit Committee</u> and being sent to the shareholders' meeting for approval. If there is any Director expresses dissent	Added provisions for relevant items to be submitted for resolution due to the

Current Provision	After Amendment	Explanation
the records or a written statement, the Company shall send the dissenting opinions to <u>the Supervisors</u> and report them to shareholders' meeting for discussions. The same shall apply to any amendment.	and it is contained in the records or a written statement, the Company shall send the dissenting opinions to <u>the members of the Audit Committee</u> and report them to shareholders' meeting for discussions. The same shall apply to any amendment.	establishment of the Audit Committee.
<u>Added.</u>	<u>Where the Procedure is submitted for discussion of the Audit Committee in accordance with the preceding paragraph, the Procedure shall first be approved by one-half or more of all Audit Committee members and</u>	
<u>Added.</u>	<u>submitted to the Board of Directors for a resolution. If approval of one-half or more of all Audit Committee members as required is not obtained, the procedures may be implemented if approved by two-thirds or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.</u>	
Paragraph 2: Omitted.	<u>The terms "all Audit Committee members" and "all Directors" in paragraph 2 shall be counted as the actual number of persons currently holding those positions.</u> Paragraph 4: Omitted.	Adjustment to the numbering.
Article 12 This amendment was made on Jun. <u>17</u> , 20 <u>19</u> .	Article 12 This amendment was made on Jun. __, 20 <u>20</u> .	Added amendment date of this amendment.

Appendix I

Kedge Construction Co., Ltd. Rules of Procedures for Shareholders' Meetings

- Article 1. The shareholders' meeting of Kedge Construction Co., Ltd. (hereinafter referred to as the Company) shall be conducted in accordance with these rules.
- Article 2. Whenever these Rules of Procedure refer to Shareholders, they include the shareholders as well as any representative attending as their proxy.
- Article 3. The Company shall provide attending shareholders with an attendance book to sign in, or attending shareholders may submit attendance cards in lieu of signing in. The number of shares represented during the meeting is calculated based on the amount of shares where voting rights are exercised in writing or through electronic means and the total amount of attendance cards collected. When a juristic person is appointed to attend the shareholders' meeting, it may designate only one person to attend on its behalf.
- Article 4. The shareholder's meeting shall be convened at a location that is convenient for the company's shareholders to attend. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- Article 5. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be presided over by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman; if the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the Directors to act as chairperson. Where the Chairman does not make such a designation, the Directors shall select from among themselves one person to act as chairperson. If the shareholders' meeting is convened by any authorized party other than the Board of Directors, the shareholders' meeting shall be convened in accordance with Article 182-1 of the Company Act.
- Article 6. The Company may designate the appointed lawyer, accountant or related personnel to attend the shareholders' meeting. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
- Article 7. Entire proceedings of the shareholders' meeting shall be recorded on audio or video tape and preserved for at least 1 year.
- Article 8. The chairperson shall announce the commencement of the meeting as soon as the appointed time arrives if those in attendance represent a majority of the Company's outstanding shares. However, if those in attendance represent less than half of the Company's outstanding shares, the chairperson may announce to postpone the meeting up to two times, for a period totaling no more than 1 hour. If the

shareholders in attendance represent more than one-third but less than half of outstanding shares after two postponements, the shareholders in attendance may reach a tentative resolution according to Article 175, Paragraph 1 of the Company Act. However, for items requiring special resolution by the provisions of the Company Act, the resolution shall be made in accordance with the Company Act. When the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for the final resolution of the meeting to re-submit the tentative resolution in accordance with Article 174 of the Company Act.

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

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

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

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

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

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

Article 11. Each shareholder shall speak no more than twice, for five minutes each, on the same agenda item. However, the restriction does not apply to the provision of an explanation for a proposal or the answering of a question subject to the approval of the chairperson.

Where a corporate shareholder has appointed two or more representatives to attend the shareholders' meeting, only one representative may speak per agenda item. The chairperson may stop shareholders from speaking if they exceed the time limit, speak for more than twice or speak outside the agenda item under discussion.

When a shareholder attends the shareholders' meeting, other shareholders may not

speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor. The chair shall stop any violation. Violators who do not obey the two preceding paragraphs where the chair is responsible to prevent are subject to Paragraph 2 of Article 18.

Article 12. After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Article 13. 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 and call a vote.

Article 14. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the Company.

Article 15. When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic transmission. A shareholder exercising voting rights by correspondence or electronic means shall be regarded as having personally attended the meeting. However, the shareholder shall be regarded as having forfeited voting rights for extempore motions or amendments to the original motion. Votes are determined by the number of shares. Unless otherwise regulated by the Company Act, an agenda item is passed when supported by shareholders who represent more than half of the total voting rights in the meeting. Each share is entitled to one voting right. Furthermore, according to Article 177 of the Company Act: "With the exception of trust enterprises and certain share administration agencies approved by the competent authority, a proxy may not represent more than 3% of total voting rights in aggregate when representing two or more shareholders during the meeting. Voting rights that exceed this threshold shall be excluded from calculation.

The voting results shall be announced immediately at the meeting and recorded in the minutes.

Article 16. In the event where amendments or substitutions are provided for in the same proposal, the chairperson may decide the order of the vote including the original proposal. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.

Article 17. The chairperson may put the meeting in recess at appropriate times. Where the agenda cannot be concluded in one meeting, a subsequent meeting may be held within 5 days by the resolution of the shareholders' meeting, no service of notice or public announcement is required. If an air alert happens during the meeting, the meeting shall be suspended. Attendees shall individually evacuate and continue to attend the meeting 1 hour after the alarm is all clear.

Article 18. The chairperson may instruct pickets to help maintain order in the meeting. The picket shall wear armbands with "picket" when maintaining order.

Shareholders shall abide by the chair and pickets' command in maintaining order. The chairperson may instruct pickets to remove persons who continue disrupt the proceedings of the meeting despite being warned by the chairperson.

Article 19. Matters not specified in these rules shall be subject to the provisions of the Company Act, the Model Codes of Meeting propagated by the Ministry of the Interior and the Articles of Incorporation of the Company.

Article 20. These rules shall take effect after approval by the shareholder meeting and the same procedure shall apply when they are amended.

Article 21. This amendment was made on Jun. 17, 2019.

Appendix II

Kedge Construction Co., Ltd.

Articles of Incorporation

Chapter 1. General Principles

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

Article 2. The Company's business is as follows:

- | | |
|--|--|
| (1) E101011 Synthesis Construction | (2) H701010 Residence and Buildings Lease Construction and Development |
| (3) H701020 Industrial Factory Buildings Lease Construction and Development | (4) H701040 Specialized Field Construction and Development |
| (5) H701050 Public Works Construction and Investment | (6) H701060 New County and Community Construction and Investment |
| (7) H701070 Land Levy and Delimit | (8) H701080 Reconstruction within the renewal area |
| (9) H701090 Renovation, or maintenance within the renewal area | (10) H702010 Construction Management |
| (11) H703090 Real Estate Commerce | (12) H703100 Real Estate Rental and Leasing |
| (13) H703110 Senior Citizen's Development | (14) E401010 Dredge Engineering |
| (15) E402010 Ballast and Mud Construction on Sea | (16) E604010 Machinery Installation Construction |
| (17) E801010 Building Maintenance and Upholstery | (18) E801020 Doors and Windows Construction |
| (19) E801030 Interior Light Rigid Frame Construction | (20) E801040 Glass Construction |
| (21) E801070 Kitchen and Bath Facilities Construction | (22) E901010 Painting Construction |
| (23) E903010 Eroding and Rusting Construction | (24) EZ02010 Derrick Construction |
| (25) EZ03010 Furnace Installation Construction | (26) EZ05010 Apparatus Installation Construction |
| (27) EZ06010 Traffic Labels Construction | (28) EZ07010 Drilling Construction |
| (29) EZ14010 Sports Ground Equipment Construction | (30) EZ15010 Warming and Cooling Maintenance Construction |
| (31) EZ99990 Other Construction | (32) F113010 Wholesale of Machinery |
| (33) F113090 Wholesale of Traffic Signal Equipment and Materials | (34) F113100 Wholesale of Pollution Controlling Equipment |
| (35) F211010 Retail Sale of Building Materials | (36) F213080 Retail Sale of Machinery and Equipment |
| (37) F213090 Retail Sale of Traffic Signal Equipment and Materials | (38) I101070 Agriculture, Forestry, Fishing and Animal Husbandry Consultancy |
| (39) I103060 Management Consulting Services | (40) I503010 Landscape and Interior Designing |
| (41) I599990 Other Designing | (42) IF01010 Fire Fighting Equipment Overhauling |
| (43) IF02010 Electricity Equipment Checking and Maintenance | (44) IF04010 Harmless Checking Services |
| (45) J101010 Buildings Cleaning Service | (46) J101030 Waste disposal |
| (47) J101040 Waste treatment | (48) J101050 Sanitary and Pollution Controlling Services |
| (49) J101060 Wastewater (Sewage) Treatment | (50) J101080 Waste Recycling |
| (51) J101090 Waste Collecting and Disposing | |
| (52) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval. | |

- Article 3. The company may invest in other business entities; the total amount of investment in other business entities is not subject to the restrictions of 40% of paid-up capital. The Company may also provide guarantees to outside parties as needed to facilitate its business activities.
- Article 4. The Company set up its headquarters in Taipei City. When necessary, it may set up branch offices domestically or abroad with a resolution by the Board of Directors.
- Article 5. Public announcements of the Company shall be duly made in accordance with Article 28 of The Company Act.

Chapter 2. Shares

- Article 6. The Company's capital shall be set at NT\$1.2 billion, divided into 120 million shares with each share having a par value of NT\$10. The shares may be issued in installments at the discretion of the Board of Directors in accordance with the Company Act and other relevant laws and regulations.
- Article 7. The Company's shares are in a registered form to be signed or stamped by more than three Directors, arranged in serial number and sealed with the Company's seal, and they are issued after approval from issuance and registration institution designated by competent authority. The Company's issued shares may be free from printing, but they should be registered at centralized securities depository enterprise.
- Article 8. Deleted.
- Article 9. Share transfer shall be suspended within 60 days before the convening of annual shareholders' meeting and within 30 days prior to the convening of extraordinary shareholders' meeting, or within 5 days before the base date of the Company's decision to distribute dividends and bonuses or other benefits.
- Article 10. All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of the seal, change of address or similar stock transaction conducted by shareholders of the Company shall follow the Regulations Governing the Administration of Shareholder Services of Public Companies unless specified otherwise by law and securities regulations.

Chapter 3. Shareholders' Meetings

- Article 11. The shareholders' meetings of the Company are classified into two types. The general shareholders' meeting shall be annually convened by the board within 6 months from the end of each fiscal year in accordance with the relevant laws and regulations. The extraordinary shareholders' meeting shall be convened in accordance with the relevant laws and regulations, whenever is necessary.
- Article 11-1. The shareholders shall be notified of the annual shareholders' meeting 30 days prior to the date and 15 days prior to the date of extraordinary shareholders meeting. The notification shall note the meeting date, location, and reason for convening.

- Article 12. If a shareholder is unable to attend the shareholders' meeting in person, a proxy can be appointed by completing the Company's proxy form and by specifying the scope of delegated authority. Shareholders of the Company can also execute voting power through electronic form, and shareholders executing voting power through electronic form shall be deemed as attending the meeting in person. Relevant matters shall be handled according to legal provisions.
- Article 13. Shareholders of the Company enjoy one voting power for every share, but there is no voting power for situations stipulated under Article 179 of Company Act.
- Article 14. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is unable to attend, the Vice Chairman shall act in place of the Chairman; if the Vice Chairman also is unable to attend, the Chairman shall appoint one of the Directors to act as chairperson. Where the Chairman does not make such a designation, the Directors shall select from among themselves one person to act as chairperson. If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairperson from among themselves.
- Article 14-1. Unless otherwise stipulated for in the Company Act, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.
- Article 14-2. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting with a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The distribution of the minutes of shareholders' meeting may be affected by means of public announcement.

Chapter 4. Directors

- Article 15. The Company shall have nine Directors, appointed by the shareholder's meeting from a list of candidates submitted by the Board. The tenure for the Directors shall be 3 years and may be shortened when necessary. The Directors shall be eligible for reelection.
- Elections of Directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The implementation shall be subject to the Company Act, Securities and Exchange Act and other related laws and regulations. The number of Directors shall include three Independent Directors. The professional qualifications, shareholding, restrictions regarding concurrently-held positions, nomination and election methods and other compliance matters shall be handled in accordance with relevant laws and regulations. Total registered stocks held by all Directors shall be subject to the Rules

and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies promulgated by the Financial Supervisory Commission.

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

(1) Spouse.

(2) Kinship within second-degree.

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

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

The notice mentioned in the preceding paragraph may be effected in writing or by means of fax or electronic transmission.

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

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

Article 18. The remuneration of the Directors shall be determined by the Board of Directors according to the degree of each Director's participation in the operation of the Company and his/her contribution, and shall be determined by reference to the standard of the industry. Independent Directors are paid monthly and are not involved in the distribution of Directors' remuneration set out in Article 22. The Company may purchase liability insurance for Directors during the term according to the compensation liability within their business scope.

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

Chapter 5. Managers

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

Chapter 6. Accounting

- Article 21. The Company shall, at the end of each fiscal year, make the following reports by the Board of Directors and submit them to the annual shareholders' meeting for recognition.
- (1) Business reports.
 - (2) The financial statements.
 - (3) Proposal for distribution of earnings to shareholders or recovery of prior year losses.
- Article 22. No less than 0.5% of any profit in the current year shall be allocated as employees' remuneration and no more than 2% shall be allocated as Directors' remuneration. However, if the Company still records a cumulative loss, its profit shall first be used to make up the loss.
- The Company's surplus at the end of the accounting year shall be first subject to taxation, reimbursement of previous losses, followed by a 10% provision for legal capital reserve and special capital reserve by law or reversal. The remainder, apart from allocation of ordinary share dividends, shall be allocated as bonus for shareholders at the board's proposal and subject to approval at the shareholders' meeting.
- Article 22-1. The Company will move towards large-scale construction projects and strive for growth and innovation. In order to continue to attract the appropriate capital to meet the needs of the business and take into account the shareholders' needs for cash, the lower limit of the Company's future cash dividend ratio will be 20% of the total cash and stock dividends to be distributed in the current year.

Chapter 7. Supplemental Provisions

- Article 23. For outstanding matters in the Articles of Incorporation, the provisions of Company Act shall be followed.
- Article 24. The Articles of Incorporation were formulated on Feb 24, 1982. The 1st amendment was made on Jun. 13, 1986; the 2nd amendment was made on Jan. 12, 1989; the 3rd amendment was made on Apr. 10, 1992; the 4th amendment was made on Feb. 14, 1994; the 5th amendment was made on May 2, 1994; the 6th amendment was made on May 2, 1994; the 7th amendment was made on Aug. 2, 1994; the 8th amendment was made on Nov. 12, 1994; the 9th amendment was made on May 20, 1995; the 10th amendment was made on Apr. 26, 1996; the 11th amendment was made on Nov. 22, 1996; the 12th amendment was made on Mar. 30, 1999; the 13th amendment was made on Apr. 18, 2000; the 14th amendment was made on Mar. 28, 2001; the 15th amendment was made on Jun. 14, 2002; the 16th amendment was made on Jun. 14, 2005; the 17th amendment was made on Jun. 13, 2007; the 18th amendment was made on Jun. 30, 2008; the 19th amendment was made on Jun. 19, 2009; the 20th amendment was made on Jun. 18, 2010; the 21st amendment was made on Jun. 15,

2011; the 22nd amendment was made on Mar. 19, 2012; the 23rd amendment was made on Jun. 17, 2013; the 24th amendment was made on Jun. 22, 2016; the 25th amendment was made on Jun. 17, 2019.

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

Appendix III

Kedge Construction Co., Ltd. Rules for Election of Directors

- Article 1. Unless otherwise provided in the Company Act and Articles of Incorporation, the directors of the company shall be elected in accordance with the rules specified herein.
- Article 2. The election of directors of the company shall be conducted during the shareholders' meeting.
- Article 3. Any person on the list of candidates for directors may be elected as a director of the company.
- Article 4. The number of seats on the board of directors shall be determined by the Articles of Incorporation of the company.
- Article 5. For election of the Company's Directors, every share enjoys the voting right equal to the number of directors to be elected, votes may be may be cast for a single candidate or split among multiple candidates.. The election of Independent Directors and the election of non-independent Directors shall be conducted at the same time, and the number of winners calculated separately. Elections of Directors (including Independent Directors) shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.
- Article 6. The number of Directors will be as specified in the Company's Articles of Incorporation. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.
- Where the personal information of the elected Director does not meet the criteria upon review or where the election of the elected director as a Director becomes invalid in accordance to relevant laws and regulations, the vacant seat shall be, filled by the alternative candidate in sequence according to the vote gained in the original election.
- Article 7. The Board of Directors shall prepare ballots for directors in numbers corresponding to the Directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting.
- Article 8. Before the election begins, the chairperson shall appoint scrutineers and tellers to perform their respective duties.
- Article 9. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 10. If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card

number. However, when the candidate is a government organization or corporate shareholder, the name of the government organization or corporate shareholder shall be entered in the column for the candidate's account name on the ballot, or both the name of the government organization or corporate shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each representative shall be entered.

Article 11. The ballots are invalid under any of the following circumstances:

- (1) Use a ballot inconsistent with these Rules.
- (2) Blank vote cast into vote box.
- (3) The writing is unclear and illegible or altered.
- (4) The name entered in the ballot is not the name of any candidate from the list of candidates.
- (5) Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
- (6) Failure to fill in candidate account name (name) or account number (identity card number).
- (7) Two or more candidates on the same one vote.

Article 12. The voting rights shall be calculated on site immediately after the end of the poll under the supervision of the monitoring personnel, and the results of the calculation shall be announced by the chairperson or person designated by the chairperson on the site.

Article 13. The election of those not meeting the conditions specified in Article 26-3 of the Securities and Exchange Act shall be invalid.

Article 14. The Board of Directors of the company shall issue notifications to the persons elected as directors individually.

Article 15. These Rules shall come into effect upon approval of the shareholders' meeting. The same applies to all subsequent amendments.

Article 16. This amendment was made on Jun. 17, 2019.

Appendix IV

Kedge Construction Co., Ltd.

Shareholding of All Directors and Supervisors

According to Item 3, Paragraph 1, Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies: Where the paid-in capital of the company is more than NT\$1 billion but NT\$2 billion or less, the total registered shares owned by all Directors shall not be less than 7.5% of the total issued shares; the total registered shares owned by all Supervisors shall not be less than 0.75% of the total issued shares. However, if the total shareholding of all Directors and Supervisors calculated in accordance to such ratios is less than the maximum shareholding under the subparagraph immediately preceding the given subparagraph, the maximum shareholding under that preceding subparagraph shall be applicable.

If the Company has elected two or more Independent Directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all Directors and Supervisors other than the Independent Directors and shall be decreased by 20%.

Record date: Apr. 17, 2020

Title	Name	Shareholding while elected	Shares held as recoded in the shareholders' roster on the ex-dividend date	Notes
Chairman of the Board	Kindom Development Co., Ltd. Representative: Miriam Ma	36,247,768	36,247,768	On Jun. 19, 2017
Director	Kindom Development Co., Ltd. Representative: Mei-Chu Liu	36,247,768	36,247,768	On Jun. 19, 2017
Director	Kindom Development Co., Ltd. Representative: Shortfall	36,247,768	36,247,768	On Jun. 19, 2017
Director	Kindom Development Co., Ltd. Representative: Ai-Wei Yuan	36,247,768	36,247,768	On Jun. 19, 2017
Director	Kindom Development Co., Ltd. Representative: Yi-Fang Huang	36,247,768	36,247,768	On Jun. 19, 2017
Director	Kindom Development Co., Ltd. Representative: Shih-Hsuan Chou	36,247,768	36,247,768	On Jun. 19, 2017
Director	Kindom Development Co., Ltd. Representative: Ming-Tao Chen	36,247,768	36,247,768	On Jun. 19, 2017
Independent Director	Shen-Yu Kung	0	0	On Jun. 19, 2017
Independent Director	Hung-Chin Huang	0	0	On Jun. 19, 2017
Total number of Directors		36,247,768	36,247,768	
Supervisor	Shortfall	0	0	On Jun. 19, 2017
Supervisor	Peng-Lung Hua	0	0	On Jun. 19, 2017
Total number of Supervisors		0	0	

Notes:

Total number of shares issued at the time of the election on Jun. 19, 2017: 106,035,660 shares

Total number of shares issued on Apr. 17, 2020: 106,035,660 shares

The statutory requirement for the aggregated shareholdings of all Directors is 8,000,000 shares, the aggregated shareholdings of all Directors as of Apr. 17, 2020 is 36,247,768 shares.

The statutory requirement for the aggregated shareholdings of all Supervisors is 800,000 shares, the aggregated shareholdings of all Supervisors as of Apr. 17, 2020 is 0 share.