

Kung Sing Engineering Corporation

2024 General Shareholders' Meeting

Handbook

Notice to readers

This English version handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

Convening method: hybrid shareholders' meeting (Video
conferencing platform: CHEP <http://stockservices.tdcc.com.tw>)

MEETING TIME: June 25, 2024

**PLACE: NO.10, Ln.87, Sec.1, Zhongzheng Rd., Tamsui Dist., New
Taipei City 251, Taiwan (Kung Sing Engineering
Corporation, Tamkang Engineering Office meeting room)**

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Agenda of 2024 General Meeting of Shareholders, Kung Sing Engineering Corporation

Time: June, 25th, 2024 (Tuesday), 9:00 A.M.

Location : NO.10, Ln.87, Sec.1, Zhongzheng Rd., Tamsui Dist., New Taipei City 251, Taiwan (Kung Sing Engineering Corporation, Tamkang Engineering Office meeting room), hybrid shareholders' meeting. Video-assisted shareholders' meeting (video conference platform: CHEP <http://stockservices.tdcc.com.tw>)

1. Announce a meeting (report the number of shares attended)
2. Chairperson Remarks
3. Report matters
 - (1) 2023 Business Report.
 - (2) Audit Committee's Review Report on the 2023 Financial Statements.
 - (3) 2023 employees and directors remuneration assigned case report.
 - (4) Report the company's director's remuneration policy and individual remuneration content.
4. Recognition matters
 - (1) Adoption of the 2023 Business Report and Financial Statements.
 - (2) The 2023 surplus distribution case.
5. Elections
Comprehensive re-election of directors.
6. Discussion matters
Lifting the non-competition restrictions of new directors and their representatives.
7. Extemporaneous Motions
8. Adjournment

Report matters

(1) 2023 Annual Business Report

(a) Implementation results of the business plan :

The operating revenue of the year 2023 was NT\$5,314,403 thousand, the net operating profit was NT\$57,341 thousand, and the net operating profit after tax was NT\$67,324 thousand.

(b)2023 Annual Budget Implementation :

Unit: NT\$ thousand

Item	Actual Amount	Budget Amount	Achievement Rate
Operating Revenue	5,314,403	Unannounced	Not applicable
Gross Profit	312,611		
Operating Expense	(255,270)		
Net Operating Profit (Loss)	57,341		
Non-operating income and expenditure	12,973		
Net Operating Profit Before Tax (Loss)	70,314		
Net Operating Profit After Tax (Loss)	67,324		

(c)Financial revenue and expenditure and profitability :

Unit: NT\$ thousand

Item analysis		The year of 2023
Financial ability	Interest income	15,888
	Interest expense	16,335
Profitability	Return on equity %	1.26%
	Pre-tax profit as a percentage of paid-in capital ratio	1.43%
	Profit ratio %	1.27%
	EPS (dollar)	0.14

Today in Taiwan, the construction industry is fulfilled with sharp changes, making competitions more intense and severe. In the face of the new environment and the implementation of new Construction Industry Act, this is the moment of transformation in Taiwan's construction industry, based on the excellent tradition, performance, and magnificent team spirit, the Company will continue to seek technology innovations, strict quality and progress controls, and provide the best world-class construction service.

(2) Audit Committee's Review Report on the 2023 Financial Statements.

Review Report of Audit Committee

The Board of Directors has submitted the 2023 annual business report, financial statements and consolidated financial statements. In it of which the financial statements and consolidated financial statements have been checked by accounts Lin, Se-kai and Wen, Ya-Fang from PwC Taiwan, and an audit report was issued.

The above-mentioned business report, financial statements and consolidated financial statements, verified by the Audit Committee, was found complied with related provisions of Company Act, in accordance with requirement in Article 219, reported as above.

For your honor's approval

Sincerely,

The 2024 General Meeting of Shareholders, Kung Sing Engineering Corporation

Audit Committee Convenor : Tu,yi- yang

Audit Committee : Chen, chin- yueh

Audit Committee : Chiang jung ch'ing

March 12th, 2024

Review Report of Audit Committee

The Board of Directors has submitted the 2023 surplus distribution case, verified by the Audit Committee, was found complied with related provisions of Company Act, in accordance with requirement in Article 219, reported as above.

For your honor's approval

Sincerely,

The 2024 General Meeting of Shareholders, Kung Sing Engineering Corporation

Audit Committee Convenor : Tu,yi- yang

Audit Committee : Chen, chin- yueh

Audit Committee : Chiang jung ch'ing

May 10th, 2024

(3) 2023 employees and directors remuneration assigned case report.

Description:

- A. According to the Articles of Association, When the Company in accordance with the annual profit after deducting accumulated deficit situation, as there are balance, employee compensation should distribution 3-5%, and the remuneration of directors not more than 3%.
- B. Following the recommendation of the Salary and Remuneration Committee on March 12, 2024, it is proposed to allocate employee remuneration of NT\$3,282,267, with a provision ratio of approximately 4.46%, and director remuneration of 0%, calculated as NT\$0, and employee remuneration will be paid in cash.
- C. This case has been passed by the resolutions of the 5th 2024 First Salary and Compensation Committee and the 27th 2024 First Board of Directors, and submitted to the 2024 regular shareholders meeting report.

- (4) Report the company's director's remuneration policy and individual remuneration content.

Description:

A. Remuneration Policy:

According to Article 15 of the Articles of Association:

The remuneration of all directors shall be determined by the board of directors according to the level of their participation in the operation of the company and the value of their contribution, taking into account the industry standards at home and abroad.

And Article 18 of the Articles of Association:

After deducting the accumulated losses according to the profit status of the current year, if there is any balance, the company shall allocate 3% to 5% of the remuneration of employees, and the remuneration of directors shall not be higher than 3%.

B. Remuneration content and amount:

The company's 2023 director's remuneration includes director's remuneration allocated by surplus, travel expenses for business execution costs, and salaries, bonuses, pensions, and employee's remuneration of some employees who serve as directors concurrently. Please refer to pages 10-12 of this handbook for detailed amounts.

C. Remuneration procedures and their relationship to business performance:

Directors' remuneration is given with reference to the overall environmental performance of the company in terms of environment, society and governance, future risks of the industry and operational development trends, as well as the individual's performance achievement rate, investment time, responsibilities and contribution to the company's operational performance. Reasonable remuneration, relevant performance appraisal and the rationality of remuneration have been reviewed and approved by the Remuneration Committee and the Board of Directors, and the remuneration system will be reviewed in a timely manner in accordance with the actual operating conditions and relevant laws and regulations, in order to achieve a balance between the company's sustainable operation and risk control. Although the net profit after tax for this year (2023) has increased compared with last year, considering working capital needs and corporate governance, according to the resolution of the Salary and Remuneration Committee and the Board of Directors on March 12, 2024, no remuneration will be allocated to directors.

Unit: NT\$ thousand

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The comp any	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
Cash	Stock	Cash	Stock																			
Chairman of the board	Ch'uan Fu Representative: Chen ,hu ang-ming	0	0	0	0	0	0	265	265	265 0.39	265 0.39	3,968	3,968	0	0	45	0	45	0	4,278 6.35	4,278 6.35	None
Directors	Ch'uan Fu Representative: Chiang,c hi-ching	0	0	0	0	0	0	265	265	265 0.39	265 0.39	3,161	3,161	173	173	45	0	45	0	3,644 5.41	3,644 5.41	None
Directors	Ju hsiang Representative: Li, shu-hsü	0	0	0	0	0	0	265	265	265 0.39	265 0.39	0	0	0	0	0	0	0	0	265 0.39	265 0.39	None
Directors	Ju hsiang Representative: Pan,kuan -ju	0	0	0	0	0	0	265	265	265 0.39	265 0.39	1,391	1,391	102	102	18	0	18	0	1,776 2.64	1,776 2.64	None

Independent Directors	Chen, chin-yueh	0	0	0	0	0	0	465	465	465 0.69	465 0.69	0	0	0	0	0	0	0	0	465 0.69	465 0.69	None
Independent Directors	Tu,yi-yang	0	0	0	0	0	0	465	465	465 0.69	465 0.69	0	0	0	0	0	0	0	0	465 0.69	465 0.69	None
Independent Directors	Chiang jung ch'ing (By-election on 27 June 2023)	0	0	0	0	0	0	235	235	235 0.35	235 0.35	0	0	0	0	0	0	0	0	235 0.35	235 0.35	None
<p>1. Please describe the payment policy, system and structure in accordance with the remuneration regulations and standards, and bear the responsibilities, risks, time and other factors, and describe the relevance of the remuneration payment:</p> <p>(1) According to Article 15 of the company's articles of association, the salary standard for everyone is based on the payment standard of the company operating the company, and participates in determining the size of its operation, and the meeting decides the implementation.</p> <p>(2) It is also clearly stipulated that 3% of the company's annual profit will not be increased as the performance.</p> <p>Because the three indicators are subject to fixed-term supervision at the same time, the committee and its members need to review the review report, select companies other than remuneration in the manager's core to review, review, review and audit, as well as regular review and review, endorsement guarantee etc. related The competent department, responsible and responsible for the time, are all responsible for the implementation of the cost index on the index because of the trust fund, which is generally a high responsibility.</p> <p>2. In addition to those disclosed in the above table, the remuneration received by the directors of the company for providing services in the most recent year (such as serving as a consultant for the parent company/all companies listed in the financial report/transferring enterprises that are not employees of the company, etc.) Remuneration received by all companies for providing services (such as serving as a consultant for non-employees, etc.): None.</p>																						

Range of Remuneration (The amount has a range : contain/Not included)	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Under NT\$1 ,000,000	Chen ,huang-ming 、Chiang,chi-ching 、 Li, shu-hsü 、 P'an,kuan-ju 、 Chen, chin- yueh 、 Tu,yi- yang 、 Ts'ai,lien-shêng	Chen ,huang-ming 、 Chiang,chi-ching 、 Li, shu-hsü 、 P'an,kuan-ju 、 Chen, chin- yueh 、 Tu,yi- yang 、 Ts'ai,lien-shêng	Li, shu-hsü 、 Chen, chin- yueh 、 Tu,yi- yang 、 Ts'ai,lien-shêng	Li, shu-hsü 、 Chen, chin- yueh 、 Tu,yi- yang 、 Ts'ai,lien-shê ng
NT\$1,000,000 ~ NT\$2,000,000	0	0	P'an,kuan-ju	P'an,kuan-ju
NT\$2,000,000 ~ NT\$3,500,000	0	0	0	0
NT\$3,500,000 ~ NT\$5,000,000	0	0	Chen ,huang-ming 、 Chiang,chi-ching	Chen ,huang-ming 、 Chiang,chi-ching
NT\$5,000,000~ NT\$10,000,000	0	0	0	0
NT\$10,000,000 ~ NT\$15,000,000	0	0	0	0
NT\$15,000,000~ NT\$30,000,000	0	0	0	0
NT\$30,000,000 ~ NT\$50,000,000	0	0	0	0
NT\$50,000,000 ~ NT\$100,000,000	0	0	0	0
Over NT\$100,000,000	0	0	0	0
Total	7	7	7	7

Recognition Matters

Case 1 :

Proposal : The 2023 Annual Business Report and Financial Statements, Submit approval
. (By the board)

Description:

- 1.The Company's financial statements of the year 2023 (and the consolidated financial statements) have been checked by accountants Lin, Se-kai and Wen, Ya-Fang from PWC Taiwan, together with the business report, have been submitted to the Audit Committee for verification, a written examination report was issued on file.
- 2.For the business report, report of independent auditors, and the above-mentioned financial statements, please refer to Page 5 and Page 26-49 in this manual.
- 3.Please recognize.

Resolution :

Case 2 :

Proposal : Approve the 2023 surplus distribution case. (by the board)

Description :

1. The 2023 surplus distribution proposal was approved by the board of directors on May 10, 2024.
2. The undistributed surplus at the beginning of the current period is NT\$255,626,384, plus NT\$67,323,670 after-tax surplus for 2023, less NT\$4,533,164 for other comprehensive gains and losses in 2023, and deducting 10% of the statutory surplus reserve of NT\$6,279,051. The distributable surplus is NT\$312,137,839. Considering that the surplus is too small, it is proposed not to distribute dividends to shareholders.
3. Please refer to page 16 of this manual for the "2023 Earnings distribution statement ".

Resolution :

Kung Sing Engineering Corporation

Earnings distribution statement

The Year of 2023

Unit: NT\$

Undistributed surplus at the beginning of the period	255,626,384
Plus: 2023 after-tax surplus	67,323,670
Less: Other comprehensive income in 2023	4,533,164
Less: Set aside 10% of statutory surplus reserve	6,279,051
Distributable surplus for the current period	312,137,839
Minus: Earnings Distribution Stock Dividends	0
Less: Cash dividends distributed from surplus	0
end-of-period retained earnings	312,137,839

Elections

Proposal : Full re-election of directors. (by the board)

Description :

- 1 、 The term of directors of the Company will be expired on July 21th, 2024, in accordance with the Company Law stipulates that the shareholders intends to apply for regular comprehensive re-election of directors.
- 2 、 In accordance with Article 12 of the Company’ s Articles of Association, shall elect seven to nine directors (including three independent directors), with a three-year term. The current director election adopts a candidate nomination system, and 7 directors (including 3 independent directors) are planned to be elected.
- 3 、 The new directors three-year term ending June 25, 2024 to June 24, 2027, former directors to hold office until this shareholders' meeting.
- 4 、 On May 10th, 2024, the nomination system applied to candidates for director, reviewed and passed by the Board , the related information is as follows:

Candidates Category	Name	Educational background	Experiences	Current position	Shareholding
director	Ch’uan fu Investment Co., Ltd. Representative: Chen, Huang-ming	PhD in Management, Nankai University.	Kung Sing Engineering Corporation Chairman of the board. Executive Director of the National Federation of Industry of the Republic of China. Chairman of Taiwan Comprehensive Construction Industry Association Chairman of the National Federation of Comprehensive	Kung Sing Engineering Corporation Chairman of the board. Techzone Technology Materials Co., Ltd. Independent Director	13,321,163

			Construction Industry Associations of the Republic of China		
director	Ch'uan fu Investment Co., Ltd. Representative: Chiang, chi-ching	PhD in Management, Nankai University.	Kung Sing Engineering Corporation General manager Kung Sing Development Co., Ltd. Chairman of the board. Chairman of the Taiwan Comprehensive Construction Industry Association. Chairman of the National Federation of Comprehensive Construction Industry Associations of the Republic o	Kung Sing Engineering Corporation General manager Kung Sing Development Co., Ltd. Chairman of the board. Convener of the Supervisory Board of Taiwan Comprehensive Construction Industry Association	
director	J u hsiang Investment Co., Ltd. Representative Pan, ying-jiuan	Master's degree, Graduate School of Administrative Science, Boston	Kung Sing Engineering Corporation deputy general manager CEO of Jiangsu Bimi Agriculture	Kung Sing Engineering Corporation deputy general manager Gongding Iron and	5, 507, 594

		University , USA	and Animal Husbandry Technology Co., Ltd. Chairman of Honghui Construction and Development (China) Co., Ltd.	Steel Co., Ltd. Director	
director	J u hsiang Investment Co., Ltd. Representative Ding, cheng-jr	Master's degree from the Institute of River and Sea Engineerin g, Ocean University	Kung Sing Engineering Corporation deputy general manager Director of Kung Sing Engineering Corporation Tamkang Construction Department	Kung Sing Engineering Corporation deputy general manager	
independent director	Tu, yi- yang	Bachelor Business, Tamkang University	Li Yang Certified Public Accountants Ch'un Yi Joint CPA group Accountants Kung Sing Engineering Corporation independent Director	Li Yang Certified Public Accountants Ch'un Yi Joint CPA group Accountants Kung Sing Engineering Corporation independent Director Tianliang Biotechnolo gy	0

				Enterprise Co., Ltd. Independent Director	
independent director	Jang liangming	Master of Business Administration, George Washington University	IBF venture capital Investment Business Department Manager Kung Sing Engineering Corporation independent Director	Alternate director of the Urban Renewal Association of the Urban Renewal Unit of 64 land parcels including 4 subsections and 4 land numbers in the Free Section, Central District, Taichung City	0
independent director	Chiang jung ch'ing	Bachelor of Commerce, Northeastern University of Massachusetts, USA	Yuan hsuan Construction Co., Ltd. Vice Chairman Deputy General Manager of Yuanxuan Construction Co., Ltd.	Yuan hsuan Construction Co., Ltd. Vice Chairman Kung Sing Engineering Corporation independent Director	33,000

Note : Mr. Tu, yi- yang, the independent director, is extremely experienced and can provide important advice to the company. Although he has been elected as an independent director of the company for three consecutive terms, the company still needs to rely on his professionalism to provide supervision and professional advice to the board of directors in addition to performing his duties as an independent director. , so he will continue to be nominated as an independent director of the company in this election.

5、The Method of election of directors of this Corporation , see page 70 of this manual.

6、Please Election

Election results:

Discussion Matters

Proposal : The case of lifting the non-competition restrictions of new directors and their representatives is proposed for discussion (by the board)

Description :

- 1 、 According to the provisions of Article 209 of the Company Law, "The directors shall explain the important content of their behaviors for themselves or others for acts within the business scope of the company, and obtain their permission."
- 2 、 The directors of the company (including independent directors) may invest in or operate other companies with the same or similar business scope as the company and serve as directors. This is to recruit professionals to serve as directors of the company without harming the interests of the company. Under such circumstances, it is planned to request the shareholders' meeting to agree to lift the non-competition restrictions on newly elected directors (including independent directors) and their representatives to facilitate business promotion. During the discussion at the shareholders' meeting, the scope and content will be supplemented on the spot.
- 3 、 Please discuss

Resolution :

Extemporary Motions

Adjournment

Attachments

Appendix 1

Independent Auditors' Report Translated from Chinese

To the Boards of Directors and Stockholders of Kung Sing Engineering Corporation

Opinion

We have audited the accompanying parent company only balance sheets of Kung Sing Engineering Corporation (the "Company") as at December 31, 2023 and 2022, as well as the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent accountants (please refer to *Other matter* section of our report), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2023 and 2022, as well as its parent company only financial performance and its parent company only statement of cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

Basis for Opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities with the requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, we do not provide a separate

opinion on these matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Assessment of Construction Contract Estimated Total Cost

Description

Refer to Note 4 (25) for accounting policies on construction contract revenue, Note 5 for significant judgments, accounting estimates and uncertainty of assumptions adopted in the construction contract accounting policy, and Note 6 (20) for the contract assets and liabilities of the Company were respectively NT\$2,043,153(thousand) and NT\$744,957(thousand) at December 31, 2023.

The engineering revenue and cost of the Company is mainly generated by constructing civil projects. The accurate estimates of the construction contract result are recognized by the percentage of incurred construction cost or the owner's assessment of pricing progress accounts for the estimated total cost, or recognized gradually over time based on the milestones agreed in the contract.

Due to the estimated total cost is assessed and judged from construction properties, estimated subcontract amount, duration, construction operation and methods by the management. It's highly uncertain, which may affect the revenue calculation of the project. Therefore, we included assessment of construction contract estimated total cost as one of the key matters for audit.

Procedure

We performed the following audit procedures on the above key audit matter:

1. Evaluated the reasonableness of the policies and procedures of estimated total cost based on understanding of the industry properties and operation, including the assessment basis of the estimated total cost of the same properties construction contracts in the past.
2. Obtained the projects with significant changes in the estimated total cost for the period, reviewed the changes description. And confirmed the appropriate approval of the head of authority or obtained the supporting information of owner's changing contract agreement.
3. Selected samples of outsourced contracts, for the un-outsourced contracts, we evaluated the basis and reasonableness of estimated cost.
4. Verified the proportion of actual cost to estimated total cost and compared it with the owner's accepted completion progress to assess the reasonableness of the estimated total cost. If there was any difference, we obtained the management's description and assessed the reasonableness.

Achievability of Deferred Tax Assets

Description

Refer to Note 4 (23) for the deferred tax assets accounting policies, Note 5 for the accounting estimates of the deferred tax assets achievability and the uncertainty of assumptions, and Note 6 (27) for the deferred tax assets of the Company were NT\$40,293(thousand) at December 31, 2023.

Deferred tax asset is recognized only if it is likely to be used to deduct future taxable income. The estimated future income statement and potential taxable income used to assess the achievability of deferred tax assets involved subjective judgment of the management. We consider that the judgments mentioned above are related to the prediction of future and the assumptions used are highly uncertain and the estimates have a significant impact on taxable income. Therefore, we included the achievability of deferred tax assets as one of the key matters for audit.

Procedure

We performed the following audit procedures on the above key audit matter:

1. Obtained future operating plan and estimated income statement approved by management.
2. Compared the estimated future income statement with past results.
3. Inspected the reasonableness of the items and amount of the estimated income statements adjusted to the future taxable income.
4. Evaluated the achievability of deferred tax assets by comparing the estimated taxable income with the tax loss of the past year.

Other Matters – Audits of the Other Independent Accountants

We did not audit the financial statements of investments using equity method of the Company for the years ended December 31, 2023 and 2022, but audited by other independent accountants. Therefore, the amount of financial statements and the relevant information disclosed in Note 13 and our opinions expressed herein is based solely on the audit report of the other independent accountants. The balance of investments using equity method amounted to NT\$607,919 thousand and NT\$609,611 thousand, constituting of 7.0% and 8.3% of total assets at December 31, 2023 and 2022, respectively, and the total comprehensive income recognized to net loss NT\$1,692 thousand and net loss NT\$5,086 thousand, constituting of (1.5%) and (1,863%) of total comprehensive income for the years then ended, respectively.

Responsibilities of Management and those Charged with Governance for Parent Company Only Financial Statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company’s financial reporting process.

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

Our objective are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC GASS will always detect a material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Accordance with ROC GASS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risk of misstatement of parent company only financial statements whether due to fraud or error, design and perform appropriate countermeasures for the risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control of relevant to the audit to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial

statement of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Accountant

Lin, Se-kai

Wen, Ya-fang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

Kung Sing Engineering Corporation
Parent Company Only Balance Sheets
December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

		December 31, 2023		December 31, 2022	
Assets	Note	Amount	%	Amount	%
Current assets					
1100 Cash and cash equivalents	6(1)	\$ 598,732	7	\$ 1,007,734	14
1136 Financial assets at amortised cost - current	6(2),8	2,672,274	31	1,795,506	25
1140 Contract assets-current	6(20)	2,043,153	23	1,405,840	19
1170 net accounts receivable	6(3)	321,563	4	172,494	3
1200 Other receivables		6,580	-	6,594	-
1220 Current tax assets		771	-	-	-
1410 Prepayments		28,641	-	19,366	-
1479 Other current assets-other	8	65,600	1	21,000	
1482 Fulfilling contract cost-net current	6(4)	544,733	6	593,257	8
11XX Total current assets		6,282,047	72	5,021,791	69
Non-current assets					
1517 Financial assets at fair value through other comprehensive income-non-current	6(5)	130,265	2	77,345	1
1550 Investments using equity method	6(6)	1,436,887	16	1,434,181	20
1600 Property, plant and equipment	6(7), 8	329,441	4	244,921	3
1755 Right-of-use assets	6(8)	92,674	1	34,446	-
1760 Investment property, net	6(9), 8	345,177	4	354,176	5
1780 Intangible assets		5,395	-	5,091	-
1840 Deferred income tax assets	6(27)	40,293	-	41,788	1
1900 Other non-current assets	6(10), 8	65,463	1	101,621	1
15XX Total non-current assets		2,445,595	28	2,293,569	31
1XXX Total assets		\$ 8,727,642	100	\$ 7,315,360	100

(Continued)

Kung Sing Engineering Corporation
Parent Company Only Balance Sheets
December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2023		December 31, 2022	
			Note	Amount	%	Amount
Current liabilities						
2100	Short-term borrowings	6(11)	\$ 660,000	8	\$ 310,000	4
2130	Contract liabilities-current	6(20)	744,957	8	200,838	3
2150	Notes payable		374,109	4	436,545	6
2170	Accounts payable	6(12)	852,290	10	494,078	7
2200	Other payables		61,753	1	41,129	-
2230	Current income tax liabilities		-	-	1,005	-
2250	Provisions for liabilities-current	6(15)	69,088	1	43,416	1
2280	Lease liabilities-current		23,693	-	12,332	-
2300	Other current liabilities	6(13)	365,117	4	292,039	4
21XX	Total current liabilities		3,151,007	36	1,831,382	25
Non-current liabilities						
2540	Long-term borrowings	6(14)	57,596	1	62,556	1
2550	Provisions for liabilities-non-current	6(15)	6,210	-	75,041	1
2570	Deferred income tax liabilities		-	-	332	-
2580	Lease liabilities-non-current		69,912	1	22,785	-
2600	Other non-current liabilities	6(16)	42,818	-	38,875	1
25XX	Total non-current liabilities		176,536	2	199,589	3
2XXX	Total liabilities		3,327,543	38	2,030,971	28
Equity						
	Share capital	6(17)				
3110	Common stock		4,922,802	56	4,922,802	67
	Capital surplus	6(18)				
3200	Capital surplus		519	-	519	-
	Retained earnings	6(19)				
3310	statutory surplus reserve		84,592	1	83,054	1
3350	Undistributed earnings (for covering deficit)		318,417	4	257,165	4
	Other equity	6(5)				
3400	Other equity		73,769	1	20,849	-
3XXX	Total equity		5,400,099	62	5,284,389	72
	Significant contingent liabilities and unrecognized contract commitments	9				
3X2X	Total liabilities and equity		\$ 8,727,642	100	\$ 7,315,360	100

The accompanying notes are an integral part of these Individual financial statements.

Kung Sing Engineering Corporation
Parent Company Only Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars, except losses per share amounts)

Items	Note	Years ended December 31			
		2023		2022	
		Account	%	Account	%
4000 Operating revenue	6(20)	\$ 5,314,403	100	\$ 4,624,692	100
5000 Operating cost	6(25)(26)	(5,001,792)	(94)	(4,405,589)	(95)
5900 Operating gross profit (loss)		312,611	6	219,103	5
Operating expenses					
6200 General and administrative expenses	6(25)(26)	(171,388)	(3)	(161,615)	(4)
6450 Expected credit impairment loss	12(2)	(83,882)	(2)	(14,200)	-
6000 Total operating expenses		(255,270)	(5)	(175,815)	(4)
6900 Operating profit (loss)		57,341	1	43,288	1
Non-operating income and expenses					
7100 Interest income	6(21)	15,888	-	30,457	-
7010 Other income	6(22), 7	23,449	-	16,321	-
7020 Other gains and losses	6(23)	(12,735)	-	(10,075)	-
7050 Financial costs	6(24)	(16,335)	-	(10,286)	-
Shares of income recognized by equity method of subsidiaries, affiliates and joint ventures	6(6)	2,706	-	(11,893)	-
7070					
7000 Total non-operating income and expenses		12,973	-	14,524	-
7900 Net profit (loss) before tax		70,314	1	57,812	1
7950 Income tax expenses	6(27)	(2,990)	-	(47,050)	(1)
8200 Net profit (loss) for the period		\$ 67,324	1	\$ 10,762	-
Other comprehensive income, net					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Remeasurements of defined benefit plans	6(16)	(\$ 5,667)	-	\$ 5,776	-
Unrealized gains and losses from investments in equity instruments measured at fair value through other					
8316 comprehensive income	6(5)	52,920	1	(15,110)	-
Income tax of related to components of other comprehensive income that will not					
8349 be reclassified to profit or loss	6(27)	1,133	-	(1,155)	-
Total amount of components of other comprehensive income that will not be					
8310 reclassified to profit or loss		48,386	1	(10,489)	-
8300 Other comprehensive income (net)		\$ 48,386	1	(\$ 10,489)	-
8500 Total comprehensive income for the period		\$ 115,710	2	\$ 273	-
9750 Basic earnings (losses) per share	6(28)	\$	0.14	\$	0.02
9850 Diluted earnings (losses) per share	6(28)	\$	0.14	\$	0.02

The accompanying notes are an integral part of these Individual financial statements.

Kung Sing Engineering Corporation
Parent Company Only Statements of Changes in Equity
For the Years Ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

				Retained earnings		Unrealized gains and losses from	
	Note	Common stock	other	statutory surplus reserve	Undistributed earnings	finical assets at fair value through other comprehensive income	Total equity
<u>For the year ended December 31, 2022</u>							
Balance at January 1, 2022		\$ 4,922,802	\$ 519	\$ 79,967	\$ 244,869	\$ 35,959	\$ 5,284,116
Net profit for the period		-	-	-	10,762	-	10,762
Other comprehensive income for the period	6(5)	-	-	-	4,621	(15,110)	(10,489)
Total comprehensive income for the period		-	-	-	15,383	(15,110)	273
Earnings Appropriation and Distribution:	6(19)						
Appropriation of statutory surplus reserve		-	-	3,087	(3,087)	-	-
Balance at December 31, 2022		<u>\$ 4,922,802</u>	<u>\$ 519</u>	<u>\$ 83,054</u>	<u>\$ 257,165</u>	<u>\$ 20,849</u>	<u>\$ 5,284,389</u>
<u>For the year ended December 31, 2023</u>							
Balance at January 1, 2023		\$ 4,922,802	\$ 519	\$ 83,054	\$ 257,165	\$ 20,849	\$ 5,284,389
Net profit for the period		-	-	-	67,324	-	67,324
Other comprehensive income for the period	6(5)	-	-	-	(4,534)	52,920	48,386
Total comprehensive income for the period		-	-	-	62,790	52,920	115,710
Earnings Appropriation and Distribution:	6(19)						
Appropriation of statutory surplus reserve		-	-	1,538	(1,538)	-	-
Balance at December 31, 2023		<u>\$ 4,922,802</u>	<u>\$ 519</u>	<u>\$ 84,592</u>	<u>\$ 318,417</u>	<u>\$ 73,769</u>	<u>\$ 5,400,099</u>

The accompanying notes are an integral part of these individual financial statements.

Kung Sing Engineering Corporation
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

	Note	For the years ended December 31	
		2023	2022
<u>Cash Flows from Operating Activities</u>			
Net profit before tax		\$ 70,314	\$ 57,812
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including right-of-use assets and investment property)	6(23)(25)	49,259	36,559
Amortization	6(25)	2,168	2,000
Expected credit loss	12(2)	83,882	14,200
Interest expense	6(24)	16,335	10,286
Interest income	6(21)	(15,888)	(30,457)
Dividend income	6(22)	(9,887)	(6,611)
Shares in losses (profit) of affiliates and joint ventures accounted for using equity method	6(6)	(2,706)	11,893
Impairment loss on property, plant and equipment	6(7)(23)	3,634	1,919
Lease Modification Benefit	6(8)	-	(34)
Rent concession benefits	6(23)	-	(180)
Changes in operating assets and liabilities			
Net changes in operating assets			
Contract assets		(721,195)	393,993
Accounts receivable		(149,069)	(172,494)
Other receivables		371	2,952
Prepayments		(9,275)	6,895
Other current assets		(44,600)	-
Cost of fulfilling contracts		48,524	(27,492)
The net defined benefit asset		1,662	-
Net changes in operating liabilities			
Contract liabilities		544,119	(578,976)
Notes payable		(67,296)	184,517
Accounts payable		358,212	(137,892)
Other payables		19,087	5,171
Provisions for liabilities		(43,159)	1,031
Other current liabilities		155	207
Net defined benefit liabilities		(5,244)	(3,543)
Cash inflow (outflow) from operating activities		129,403	(228,244)
Interest received		15,531	30,426
Interest paid		(14,798)	(10,176)
Dividend received		9,887	6,611
Income tax refunded		-	3,817
Income tax paid		(2,470)	(10,956)
Net cash inflow (outflow) from operating activities		137,553	(208,522)

(Continued)

Kung Sing Engineering Corporation
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

		For the years ended December 31	
	Notes	2023	2022
<u>Cash Flows From Investing Activities</u>			
To acquire financial assets at amortised cost		(\$ 3,010,752)	(\$ 2,311,687)
Disposal of financial assets acquired at amortized cost		2,133,984	2,804,965
Proceeds from acquisition of property, plant and equipment	6(29)	(77,587)	(45,627)
Proceeds from acquisition of intangible assets	6(29)	(2,457)	(3,391)
Margin deposits increase		(50,370)	(48,454)
Margin deposits decrease		60,266	3,866
Disposal of non-current assets to be sold	6(9)	-	25,153
Net cash inflows (outflows) from investing activities		(946,916)	424,825
<u>Cash Flows From Financing Activities</u>			
Borrow short-term borrowings	6(30)	1,610,000	880,000
Repayment of short-term borrowings	6(30)	(1,260,000)	(960,000)
Borrow long-term borrowings	6(30)	370,000	70,611
Repayment of long-term borrowings	6(30)	(302,522)	(75,500)
Increase in deposits received	6(30)	22,296	340,752
Decrease in deposits received	6(30)	(18,291)	(190,231)
Lease liability principal payments	6(30)	(21,122)	(14,231)
Net cash inflows from financing activities		400,361	51,401
Increase (Decrease) in cash and cash equivalents for the period		(409,002)	267,704
Cash and cash equivalents balance at beginning of the period		1,007,734	740,030
Cash and cash equivalents balance at end of the period		\$ 598,732	\$ 1,007,734

The accompanying notes are an integral part of these individual financial statements.

Independent Auditors' Report Translated from Chinese

To the Boards of Directors and Stockholders of Kung Sing Engineering Corporation

Opinion

We have audited the consolidated balance sheets of Kung Sing Engineering Corporation and its subsidiaries (the "Group") as at December 31, 2023 and 2022, as well as the consolidated statements of comprehensive income, the consolidated statement of changes in equity and of cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent accountants (please refer to *Other matter* section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group at December 31, 2023 and 2022, as well as its consolidated financial performance and its consolidated statement of cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities with the requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

matters.

Key audit matters for the Group's consolidated financial statements for the current period are stated as follows:

Assessment of Construction Contract Estimated Total Cost

Description

Refer to Note 4 (26) for accounting policies on construction contract revenue, Note 5 for significant judgments, accounting estimates and uncertainty of assumptions adopted in the construction contract accounting policy, and Note 6 (21) for the contract assets and liabilities of the Group were respectively NT\$2,043,153(thousand) and NT\$744,957(thousand) at December 31, 2023.

The construction income and cost of the Group is mainly generated by constructing civil projects. The accurate estimates of the construction contract result are recognized by the percentage of incurred construction cost or the owner's assessment of pricing progress accounts for the estimated total cost, or recognized gradually over time based on the milestones agreed in the contract.

Due to the estimated total cost is assessed and judged from engineering properties, estimated subcontract amount, duration, construction operation and methods by the management. It's highly uncertain, which may affect the revenue calculation of the project. Therefore, we included the assessment of construction contract estimated total cost as one of the key matters for audit.

Procedure

We performed the following audit procedures on the above key audit matter:

5. Evaluated the reasonableness of the policies and procedures of estimated total cost based on understanding of the industry properties and operation, including the assessment basis of the estimated total cost of the same properties construction contracts in the past.
6. Obtained the projects with significant changes in the estimated total cost for the period, reviewed the changes description. And confirmed the appropriate approval of the head of authority or obtained the supporting information of owner's changing contract agreement.
7. Selected samples of outsourced contracts, for the un-outsourced contracts, we evaluated the basis and reasonableness of estimated cost.
8. Verified the proportion of actual cost to estimated total cost and compared it with the owner's accepted completion progress to assess the reasonableness of the estimated total cost. If there was any difference, we obtained the management's description and assessed the reasonableness.

Achievability of Deferred Tax Assets

Description

Refer to Note 4 (24) for the deferred tax assets accounting policies, Note 5 for the accounting estimates of the deferred tax assets achievability and the uncertainty of assumptions, and Note 6 (28) for the deferred tax assets of the Group were NT\$40,293(thousand) at December 31, 2023. Deferred tax asset is recognized only if it is likely to be used to deduct future taxable income. The estimated future income statement and potential taxable income used to assess the achievability of deferred tax assets involved subjective judgment of the management. We consider that the judgments mentioned above are related to the prediction of future and the assumptions used are highly uncertain and the estimates have a significant impact on taxable income. Therefore, we included the achievability of deferred tax assets as one of the key matters for audit.

Procedure

We performed the following audit procedures on the above key audit matter:

5. Obtained future operating plan and estimated income statement approved by management.
6. Compared the estimated future income statement with past results.
7. Inspected the reasonableness of the items and amount of the estimated income statements adjusted to the future taxable income.
8. Evaluated the achievability of deferred tax assets by comparing the estimated taxable income with the tax loss of the past year.

Other Matters-Audits of the Other Independent Accountants

We did not audit the financial statements of all subsidiaries of the Group for the years ended December 31, 2023 and 2022, but audited by other independent accountants. Therefore, the amount of financial statements and the relevant information disclosed in Note 13 and our opinions expressed herein is based solely on the audit report of the other independent accountants. Total assets of the subsidiary amounted to NT\$645,956 thousand and NT\$634,666 thousand, constituting of 7.4% and 8.7% of consolidated total assets at December 31, 2023 and 2022, respectively, and the net operating revenue amounted to NT\$31,718 thousand and NT\$822 thousand, constituting of 0.59% and 0.02% of net consolidated operating revenue for the years then ended, respectively.

Other Matters-Parent Company Only Financial Reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Kung Sing Engineering Corporation as at and for the years ended December 31, 2023 and 2022.

Responsibilities of Management and those Charged with Governance for Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with the "Regulations for the Preparation of Financial Reports by Issuers of Securities" and the approved and issued effective International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations by the Financial Supervisory Committee and Management. Such internal controls are determined to be necessary so that the consolidated financial statements are prepared free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with ROC GASS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

7. Identify and assess the risk of misstatement of consolidated financial statements whether due to fraud or error, design and perform appropriate countermeasures for the risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

8. Obtain an understanding of internal control of relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Group's internal control.
9. Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Group's ability to continue as a going concern. If we concluded that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
11. Evaluate the overall presentation, structure and content of consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance the group audit, and concluding audit opinions on consolidated financial statements.

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

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

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

Accountant

Lin, Se-kai

Wen, Ya-fang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

Kung Sing Engineering Corporation and Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

		<u>December 31, 2023</u>		<u>December 31, 2022</u>	
<u>Assets</u>	<u>Note</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Current assets					
1100 Cash and cash equivalents	6(1)	\$ 1,466,250	17	\$ 1,881,244	26
1110 Financial assets at fair value through profit or loss - current	6(2)	18,825	-	20,366	-
1136 Financial assets at amortised cost - current	6(3),8	2,672,274	30	1,795,506	25
1140 Contract assets-current	6(21)	2,043,153	23	1,405,840	19
1170 Accounts receivable, net	6(4)	352,459	4	172,494	2
1200 Other receivables	7	54,268	1	95,474	1
1220 Current tax assets		1,374	-	129	-
130X Inventories	6(5)	450,150	5	417,712	6
1410 Prepayments		59,717	1	49,841	1
1479 Other current assets-other Fulfilling contract cost-net	8	65,600	1	21,000	-
1482 current	6(6)	<u>544,733</u>	<u>6</u>	<u>593,257</u>	<u>8</u>
11XX Total current assets		<u>7,728,803</u>	<u>88</u>	<u>6,452,863</u>	<u>88</u>
Non-current assets					
1517 Financial assets at fair value through other comprehensive income-non-current	6(7) 6(8),	130,265	2	77,345	1
1600 Property, plant and equipment	8	521,299	6	444,037	6
1755 Right-of-use assets	6(9) 6(10),	97,017	1	41,055	1
1760 Investment property, net	8	153,319	2	155,060	2
1780 Intangible assets		5,395	-	5,091	-
1840 Deferred income tax assets	6(28)	40,293	-	41,788	1
1900 Other non-current assets	6(11)	<u>71,718</u>	<u>1</u>	<u>107,876</u>	<u>1</u>
15XX Total non-current assets		<u>1,019,306</u>	<u>12</u>	<u>872,252</u>	<u>12</u>
1XXX Total assets		<u>\$ 8,748,109</u>	<u>100</u>	<u>\$ 7,325,115</u>	<u>100</u>

(Continued)

Kung Sing Engineering Corporation and Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 660,000	8	\$ 310,000	4
2130	Contract liabilities-current	6(21)	744,957	8	200,838	3
2150	Notes payable		374,238	4	437,835	6
2170	Accounts payable	6(13)	853,221	10	495,027	7
2200	Other payables		62,082	1	41,999	-
2230	Current income tax liabilities		-	-	1,005	-
2250	Provisions for liabilities-current	6(16)	69,088	1	43,416	1
2280	Lease liabilities-current		25,962	-	14,541	-
2300	Other current liabilities	6(14),7	379,705	4	292,171	4
21XX	Total current liabilities		3,169,253	36	1,836,832	25
Non-current liabilities						
2540	Long-term borrowings	6(15)	57,596	1	62,556	1
2550	Provisions for liabilities-non-current	6(16)	6,210	-	75,041	1
2570	Deferred income tax liabilities	6(28)	-	-	332	-
2580	Lease liabilities-non-current		72,034	1	27,190	-
2600	Other non-current liabilities	6(17)	42,917	-	38,775	1
25XX	Total non-current liabilities		178,757	2	203,894	3
2XXX	Total liabilities		3,348,010	38	2,040,726	28
Equity						
	Share capital	6(18)				
3110	Common stock		4,922,802	56	4,922,802	67
	Capital surplus	6(19)				
3200	Capital surplus		519	-	519	-
	Retained earnings	6(20)				
3310	statutory surplus reserve		84,592	1	83,054	1
3350	Undistributed earnings		318,417	4	257,165	4
	Other equity	6(7)				
3400	Other equity		73,769	-	20,849	-
31XX	Total equity attributable to owners of the parent		5,400,099	62	5,284,389	72
3XXX	Total equity		5,400,099	62	5,284,389	72
	Significant contingent liabilities and unrecognized contract commitments	9				
3X2X	Total liabilities and equity		\$ 8,748,109	100	\$ 7,325,115	100

The accompanying notes are an integral part of these Individual financial statements.

Kung Sing Engineering Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan dollars, except losses per share amounts)

Items	Note	Years ended December 31			
		2023		2022	
		Account	%	Account	%
4000 Operating revenue	6(21)	\$ 5,346,121	100	\$ 4,625,514	100
5000 Operating cost	6(26)(27)	(5,028,658)	(94)	(4,405,589)	(95)
5900 Gross profit		317,463	6	219,925	5
Operating expenses	6(26)(27)				
6100 Selling expenses		(1,417)	-	(2,020)	-
6200 General and administrative expenses		(187,476)	(3)	(173,616)	(4)
6450 Expected credit impairment loss	6(21),12(2)	(83,882)	(2)	(14,200)	-
6000 Total operating expenses		(272,775)	(5)	(189,836)	(4)
6900 Operating income		44,688	1	30,089	1
Non-operating income and expenses					
7100 Interest income	6(22)	20,714	-	31,957	-
7010 Other income	6(23)	27,327	-	18,019	-
7020 Other gains and losses	6(24)	(5,967)	-	(11,955)	-
7050 Financial costs	6(25)	(16,448)	-	(10,298)	-
7000 Total non-operating income and expenses		25,626	-	27,723	-
7900 Net profit (loss) before tax		70,314	1	57,812	1
7950 Income tax expenses	6(28)	(2,990)	-	(47,050)	(1)
8200 Net profit (loss) for the period		\$ 67,324	1	\$ 10,762	-
Other comprehensive income, net					
Components of other comprehensive					
income that will not be reclassified to profit					
or loss					
8311 Remeasurements of defined benefit plans	6(17)	(\$ 5,667)	-	\$ 5,776	-
Unrealized gains and losses from					
investments in equity instruments					
measured at fair value through other					
8316 comprehensive income	6(7)	52,920	1	(15,110)	-
Income tax of related to components of					
other comprehensive income that will not					
8349 be reclassified to profit or loss	6(28)	1,133	-	(1,155)	-
8300 Other comprehensive income (net)		\$ 48,386	1	(\$ 10,489)	-
8500 Total comprehensive income for the period		\$ 115,710	2	\$ 273	1
Net profit (loss) attributable to:					
9750 Basic earnings (losses) per share	6(29)	\$ 0.14		\$ 0.02	
9850 Diluted earnings (losses) per share	6(29)	\$ 0.14		\$ 0.02	

The accompanying notes are an integral part of these Individual financial statements.

Kung Sing Engineering Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

		Retained earnings				Unrealized gains and losses from	
	Note	Common stock	other	statutory surplus reserve	Undistributed earnings	finical assets at fair value through other comprehensive income	Total equity
<u>For the year ended December 31, 2022</u>							
Balance at January 1, 2022		\$ 4,922,802	\$ 519	\$ 79,967	\$ 244,869	\$ 35,959	\$ 5,284,116
Net profit for the period		-	-	-	10,762	-	10,762
Other comprehensive income for the period	6(7)	-	-	-	4,621	(15,110)	(10,489)
Total comprehensive income for the period		-	-	-	15,383	(15,110)	273
Earnings Appropriation and Distribution:	6(20)						
Appropriation of statutory surplus reserve		-	-	3,087	(3,087)	-	-
Balance at December 31, 2022		<u>\$ 4,922,802</u>	<u>\$ 519</u>	<u>\$ 83,054</u>	<u>\$ 257,165</u>	<u>\$ 20,849</u>	<u>\$ 5,284,389</u>
<u>For the year ended December 31, 2023</u>							
Balance at January 1, 2023		\$ 4,922,802	\$ 519	\$ 83,054	\$ 257,165	\$ 20,849	\$ 5,284,389
Net profit for the period		-	-	-	67,324	-	67,324
Other comprehensive income for the period	6(7)	-	-	-	(4,534)	52,920	48,386
Total comprehensive income for the period		-	-	-	62,790	52,920	115,710
Earnings Appropriation and Distribution:	6(20)						
Appropriation of statutory surplus reserve		-	-	1,538	(1,538)	-	-
Balance at December 31, 2023		<u>\$ 4,922,802</u>	<u>\$ 519</u>	<u>\$ 84,592</u>	<u>\$ 318,417</u>	<u>\$ 73,769</u>	<u>\$ 5,400,099</u>

The accompanying notes are an integral part of these individual financial statements.

Kung Sing Engineering Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

	Note	For the years ended December 31	
		2023	2022
<u>Cash Flows from Operating Activities</u>			
Net profit before tax		\$ 70,314	\$ 57,812
Adjustments			
Adjustments to reconcile profit			
Valuation of losses on financial assets at fair value through profit or loss	6(24)	484	9,077
Depreciation (including right-of-use assets and investment property)	6(24)(26)	51,525	36,748
Amortization	6(26)	2,168	2,000
Expected credit impairment loss	12(2)	83,882	14,200
Interest expense	6(25)	16,448	10,298
Interest income	6(22)	(20,714)	(31,957)
Dividend income	6(23)	(13,793)	(8,727)
Impairment loss on property, plant and equipment	6(24)	3,634	1,919
Gains on rent concessions	6(23)	-	(180)
Lease Modification Benefit	6(24)	-	(34)
Changes in operating assets and liabilities			
Net changes in operating assets			
Contract assets		(721,195)	393,993
Accounts receivable		(179,965)	(172,284)
Other receivables		9,411	(9,111)
Inventories		(286)	-
Prepayments		(9,882)	6,356
Other current assets		(44,600)	-
Cost of fulfilling contracts		48,524	(27,492)
net defined benefit assets		1,662	
Net changes in operating liabilities			
Contract liabilities		544,119	(578,976)
Notes payable		(68,457)	185,750
Accounts payable		358,194	(138,627)
Other payables		19,658	4,616
Provisions for liabilities		(43,159)	1,031
Other current liabilities		14,610	227
Net defined benefit liabilities		(5,244)	(3,543)
Cash inflow (outflow) from operations		117,338	(246,904)
Interest received		20,357	31,937
Interest paid		(16,023)	(9,688)
Dividend received		13,793	8,727
Income tax paid		(2,938)	(11,077)
Income tax refunded		-	3,817
Cash inflow (outflow) from operating activities		132,527	(223,188)

(Continued)

Kung Sing Engineering Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

		For the years ended December 31	
	Notes	2023	2022
<u>Cash Flows From Investing Activities</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 4,150)	(\$ 52,945)
Disposal of financial assets at fair value through profit or loss		5,207	23,502
To acquire financial assets at amortised cost		(3,010,752)	(2,311,687)
Disposal of financial assets acquired at amortized cost		2,133,984	2,804,965
Proceeds from acquisition of property, plant and equipment	6(30)	(77,587)	(45,627)
Proceeds from acquisition of intangible assets	6(30)	(2,457)	(3,391)
Margin deposits increase		(50,370)	(181,709)
Margin deposits decrease		60,266	130,866
Price of disposal of non-current assets to be sold	6(10)	-	25,153
Net cash inflows (outflows) from investing activities		(945,859)	389,127
<u>Cash Flows From Financing Activities</u>			
Borrow short-term borrowings	6(31)	1,610,000	880,000
Repayment of short-term borrowings	6(31)	(1,260,000)	(960,000)
Borrow long-term borrowings	6(31)	370,000	70,611
Repayment of long-term borrowings	6(31)	(302,522)	(75,500)
Increase in deposits received	6(31)	22,496	340,952
Decrease in deposits received	6(31)	(18,291)	(190,231)
Lease liability principal payments	6(31)	(23,345)	(14,415)
Net cash inflows from financing activities		398,338	51,417
Increase (Decrease) in cash and cash equivalents for the period		(414,994)	217,356
Cash and cash equivalents balance at beginning of the period		1,881,244	1,663,888
Cash and cash equivalents balance at end of the period		\$ 1,466,250	\$ 1,881,244

The accompanying notes are an integral part of these individual financial statements.

The Constitution of Kung Sing Engineering Co., Ltd.

Chapter 1 General Provisions

Article 1

The company was organized according to the company Act and its name is Kung Sing Engineering Company Limited.

Article 2

The businesses operated by the company are as follows:

1. E101011 General Construction
2. E401010 Dredging
3. E599010 Plumbing
4. E801010 Interior Renovation
5. E801020 Doors and Windows Installation
6. E801030 Interior Light Steel Frame Engineering
7. E801040 Glass Installation
8. E801070 Kitchen and Bathroom Equipment Installation
9. E901010 Painting Works
10. E903010 Corrosion and Rust-Proof Works
11. EZ02010 Crane Engineering
12. EZ207010 Drilling Engineering
13. EZ99990 Other Engineering
14. C901040 Ready-Mix Concrete Manufacturing
15. C901050 Cement and Concrete Manufacturing
16. CD01020 Rail Vehicles and Parts Manufacturing
17. CD01990 Other Vehicles and Parts Manufacturing
18. F111090 Building Materials Wholesale
19. F113010 Machinery Wholesale
20. F401010 International Trade
21. F113030 Precision Instruments Wholesale
22. H701010 Residences and Buildings Development, Sale and Lease
23. H701020 Industrial Factory Buildings Development, Sale and Lease
24. H701040 Specialized Fields Construction and Development
25. H701050 Public Works Construction and Investment
26. H701060 New County and Community Development
27. H701070 Zone Expropriation and Urban Land Consolidation Agencies

28. H703090 Real Estate Trading
29. H703100 Real Estate Lease
30. H701080 Urban Renewal
31. J101040 Wastes Treatment
32. J101990 Other Sanitation and Pollution Protection Services
33. E501011 Water Supply Piping
34. E601010 Electrical Equipment Installation
35. E602011 Frozen and Air-conditioning Engineering
36. E603040 Fire Safety Equipment Installation Engineering
37. ZZ99999 In addition to licensed businesses, the company may operate those businesses that are not prohibited or restricted by law.

Article 2.1

The company's investment in other businesses may not be restricted by article 13 of Company Act, which stipulates that the amount of a company's investment in other businesses must not exceed 40% of its paid-up capital.

Article 2.2

After the board of directors pass the resolution, the company may give endorsements and guarantees to others due to business needs or the need of the businesses invested by the company, and the chairperson sign the relevant documents on behalf of the company. But the balance of the amount of endorsement and guarantee must not exceed the amount stipulated by the company's regulations governing endorsements and guarantees.

Article 3

The head office of the company is based in Taipei City. If necessary, the company may set up domestic and foreign branch offices according to the resolution of the board of directors.

Chapter 2 Shares of Stock

Article 4

The total capital of the company is NT\$ 6,000,000,000, divided by 600,000,000 shares of stock. The face value of each share is NT\$ 10 and the stock are issued stage by stage.

Article 5

The transfer, inheritance, gifting, renewing, mortgage, loss or damage of the

company's stock shares shall be handled according to Company Act and "Criteria Governing Handling of Stock Affairs by Public Stock Companies" issued by the authorities.

Article 6

The company's shares all are inscribed and signed or sealed by more than three directors, and then issued after certified by law. After the issuance of shares, the company does not need to print the shares, but it must contact Taiwan Depository and Clearing Corporation (TDCC) to register all the shares and their holders.

Article 7

The change of the records in shareholders list shall be stopped within the sixty days before the opening of the regular shareholders' meeting, within the thirty days before the beginning of the extraordinary shareholders' meeting or within the five days before the base date on which the company decides to allot dividends, bonus or other interests.

Chapter 3 Shareholders' Meeting

Article 8

There are two kinds of shareholders' meetings called by the company, regular shareholders' meeting and extraordinary shareholders' meeting. The former one is held within the six months after the end of every fiscal year and the latter one is held according to the regulations of Company Act and as occasion requires.

When the shareholders' meeting is held, it may be held by video conference or other methods announced by the central competent authority. If a video conference is used, its shareholders who participate in the conference by video are deemed to be present in person.

Article 9

When shareholders can not attend the shareholders' meeting for some reason, they may sign or seal powers of attorney stating clearly scope of authority and hand to their proxies to attend the meeting.

Article 10

Each share has a voting power, but those shares under the conditions stipulated by article 179 of Company Act have no voting power.

Article 11

Unless otherwise regulated by the company Act, the resolution of shareholders' meeting only can be passed under the condition that more than half the voting powers of the shareholders present agree with the resolution and shareholders owning more than half the shares issued attend the meeting.

Chapter 4 Directors and Audit Committee

Article 12

The Company shall have seven to nine directors, adopting the nomination system, serving a term of three years, the Board of Directors shall elect the list of candidates Directors, shall be reappointed. As for the previous Article that the total amount of registered shares held by the Board must not be less than a certain number of the total amount of issued shares regulated by the authorities. In the list of the above-mentioned directors, independent directors shall not be less than three, and the number of directors shall not be less than one-fifth.

Regarding the professional qualifications, shareholding, part-time restrictions, nomination, and election methods and other matters to be followed, shall base on related regulations set by the securities

authorities. Article 12.1

The meeting of the board of directors should be held at least once a season. The reasons of calling the meeting should be stated clearly on the notice, which should be sent to each director. However, the meeting may be summoned if necessary. The meeting may be summoned by notice in written form, fax, or email etc.

Article 13

The board of directors consists of directors, the chairperson of which is elected from among all directors present by winning more than 50% of the vote. The chairperson is the representative of the company.

Article 14

Unless otherwise regulated by the company Act, the resolution of the board of directors only can be passed under the condition that more than half the directors present agree with the resolution and more than half directors attend the meeting. When directors can not attend the meeting for some reason, they may sign or seal powers of attorney stating clearly scope of authority and hand to other directors to attend the meeting according to article 205 of Company Act, but one director can only act as a proxy in another one's absence. Directors living overseas may entrust a director living in Taiwan in written form to act as his proxy regularly.

Article 15

Directors' and supervisors' pay is offered according to each one's level of participation in the company's operation and value of dedication and the criteria of pay to directors at domestic and foreign companies in same industry.

Article 15.1

The company set up according to the law of the Audit Committee comprises all independent directors.

Companies Act, the Securities and Exchange Act and other legal requirements shall exercise the powers of supervisors matters exercised by the Audit Committee.

The number of the Audit Committee, tenure, terms, rules of procedure and the exercise of powers issues companies should provide resources to the Audit Committee Charter separately prescribed by law.

The first three requirements applicable appoint a new director from 2015 onwards.

Chapter 5 Manager

Article 16.

The company may employ a general manager, whose appointment, dismissal and remuneration comply with article 29 of Company Act.

Chapter 6 Accounting

Article 17

The company shall settle final accounts at the end of every year. The company's final accounts are written in different book of forms under the supervision of the board of directors, which shall be handed to the Audit Committee for audit within the thirty days before the beginning of regular shareholders' meeting. The three documents as below shall be submitted to the shareholders' meeting for recognition.

1. Business Report
2. Financial Statements
3. A motion for earnings distribution or an offset to the loss

Article 18

When the Company in accordance with the annual profit after deducting accumulated deficit situation, as there are balance, employee compensation should be set aside 3-5%, not more than 3% of the remuneration of directors.

Employee compensation in the preceding paragraph to whom shares or cash, the payment must include the object in line with the conditions set by the Board of Directors of subordinate employees, to authorize the Board to develop the relevant measures, the directors only to cash remuneration.

The first two issues by the board resolution and to report shareholders' meeting.

Article 18-1

If there are earnings after the company's annual closing, the tax shall be paid and the loss of previous years shall be made up first. Then, 10% of the earnings shall be kept as legal reserve. After this if there is still earnings left, the amount of which shall be added by that of the distributable earnings at opening of the period. The board of directors shall make proposals concerning the total amount of earnings to the regular shareholders' meeting for resolution. The allotment of dividends among shareholders will be granted by stock dividends and cash dividends, but the latter shall account for at least 10% of the shareholders' dividends.

Chapter 7 Supplementary Provisions

Article 19.

Any matters not stipulated by this constitution shall be handled according to the company Act and relevant regulations.

Article 20

The constitution was concluded on January 5, 1947.

It was revised on January 1, 1950 for the first time.

It was revised on November 10, 1971 for the second time.

It was revised on November 5, 1981 for the third time.

It was revised on May 28, 1983 for the fourth time.

It was revised on August 1, 1983 for the fifth time.

It was revised on August 16, 1983 for the sixth time.

It was revised on August 18, 1987, for the seventh time.

It was revised on July 1, 1991 for the eighth time.

It was revised on October 22, 1992 for the ninth time.

It was revised on June 25, 1993 for the tenth time.

It was revised on October 20, 1994 for the eleventh time.

It was revised on June 29, 1995 for the twelfth time.

It was revised on June 10, 1997 for the thirteenth time.

It was revised on June 29, 1998 for the fourteenth time.

It was revised on June 27, 2000 for the fifteenth time.

It was revised on June 26, 2002 for the sixteenth time.

It was revised on May 27, 2004 for the seventeenth time.
It was revised on May 25, 2005 for the eighteenth time.
It was revised on June 20, 2006 for the nineteenth time.
It was revised on May 15, 2007 for the twentieth time.
It was revised on May 20, 2008 for the twenty-first time.
It was revised on June 16, 2009 for the twenty- second time.
It was revised on June 18, 2010 for the twenty- third time.
It was revised on June 9, 2011 for the twenty- fourth time.
It was revised on June 18, 2012 for the twenty-fifth time.
It was revised on June 26, 2014 for the twenty- sixth time.
The twenty- seven amendment was made on June 28th, 2016.
The twenty- eihht amendment was made on June 27th, 2019.
The twenty- nine amendment was made on June 17th, 2020.
The thirtieth amendment is on June 29, 2022.

The Regulations of the Meeting of the Shareholders of

Kung Sing Engineering Co., Ltd. (Before revision)

- 1、In order to establish a good governance system of the shareholders' meeting of the company, improve the supervision function and strengthen the management function, the rules are formulated in accordance with Article 5 of the Code of Practice on Corporate Governance of Listed OTC Companies for compliance.
- 2、The rules of procedure of the company's shareholders' meeting shall be in accordance with the provisions of these rules, unless otherwise provided by laws or regulations.
- 3、The shareholders' meeting of the company shall be convened by the board of directors unless otherwise provided by law.
When a company convenes a video meeting of shareholders, unless otherwise specified in the stock affairs management standards of a company that publicly issues shares, it should be stated in the articles of association and approved by the board of directors, and the video meeting of shareholders should be approved by the board of directors with the attendance and attendance of more than two-thirds of the directors. The resolution shall be carried out if approved by more than half of the directors.

Changes to the method of convening the shareholders' meeting of the Company shall be subject to a resolution of the board of directors, and shall be made no later than before the notice of the shareholders' meeting is dispatched.

The company shall, 30 days before the ordinary shareholders' meeting or 15 days before the extraordinary shareholders' meeting, submit the notice of the shareholders' meeting, the power of attorney paper, the relevant recognition, discussion, election or dismissal of directors (including independent directors) and other matters. The reason and explanation data of the motion are made into electronic files and sent to the public information observatory. Twenty-one days before the ordinary shareholders' meeting or fifteen days before the extraordinary shareholders' meeting, the shareholders' meeting procedure manual and meeting supplementary materials shall be prepared and electronically sent to the public information observation station. If the total amount exceeds NT\$10 billion, or if the shareholder register of the most recent fiscal year holds a general meeting of shareholders and the total shareholding ratio of foreign and mainland investors reaches 30% or more, the electronic File transmission. Fifteen days before the shareholders' meeting, prepare the current shareholders' meeting procedure manual and meeting supplementary materials for shareholders to request at any time, and display them in the company and the professional stock agency agency appointed by the company.

The procedure manual and meeting supplementary materials mentioned in the preceding paragraph shall be provided to shareholders for reference by the Company on the day of the shareholders' meeting in the following ways:

1. When a physical shareholders meeting is held, it shall be distributed on the spot of the shareholders meeting.
2. When convening a video-assisted shareholders meeting, it shall be distributed on the spot of the shareholders' meeting and sent to the video conference platform as an electronic file.
3. When holding a video conference of shareholders, the electronic file shall be transmitted to the video conference platform.

The notice and announcement shall contain the reason for the convening; the notification can be done electronically if the counterpart agrees.

Election or dismissal of directors (including independent directors), change of articles of association, capital reduction, application for suspension of public offering, directors' business license, surplus capital increase, surplus capital increase, company dissolution, merger, division or matters in the first paragraph of Article 185 of the Company Law, Securities and Exchange Act Article 26-1, Article 43-6, Issuer's Raising and Issuing of Negotiable Securities Handling Guidelines Article 56-1 and Article 60-2 Matters. The items of each item shall be listed and stated in the convening reasons and their main contents shall not be proposed by a temporary motion.

The convening of the shareholders' meeting has stated the full re-election of directors and the date of appointment. After the election of the shareholders' meeting is completed, the same meeting shall not change its appointment date by temporary motion or other means.

Shareholders who hold more than one percent of the total number of shares in issue may submit a proposal to the company's ordinary shareholders meeting. The proposal is limited to one item. Any proposal with more than one proposal shall not be included in the proposal.

However, the shareholders' proposal is to urge the company to promote the public interest or fulfill its social responsibilities, and the board of directors may still include it in the proposal. In addition, the shareholder's proposal has one of the conditions in Article 172-1, Item 4 of the Company Law, and the board of directors may not be listed as a proposal.

Shareholders may submit proposed proposals to urge the company to promote the public interest or fulfill its social responsibilities. The procedures shall be limited to one item in accordance with the relevant provisions of Article 172-1 of the Company Law. Any proposal with more than one item shall not be included in the proposal. .

The company shall announce the acceptance of shareholders' proposals, written or electronic acceptance methods, acceptance premises, and

acceptance period before the shareholders' closing date before the regular shareholders' meeting; its acceptance period shall not be less than ten days.

Proposals proposed by shareholders shall be limited to three hundred words. Those exceeding three hundred words shall not be included in the proposal; the shareholders of the proposal shall personally or entrust others to attend the general meeting of shareholders and participate in the discussion of the proposal.

The company shall notify the shareholders of the proposal of the processing results before the date of the notice of the shareholders' meeting, and shall list the resolutions stipulated in this article in the notice of the meeting. For shareholder proposals not included in the proposal, the board of directors shall explain the reasons for the non-inclusion in the shareholders meeting.

- 4、Shareholders can obtain the power of attorney issued by the company at each shareholder meeting, stating the scope of authorization, and appointing agents to attend the shareholders meeting.

A shareholder shall issue a power of attorney and limit the power to one person. It shall be served on the company five days before the meeting of the shareholders' meeting. In the case of duplicate power of attorney, the first one shall prevail. However, if the declaration is withdrawn, the former client is not limited to this.

After the power of attorney is served on the company, shareholders who wish to attend the shareholders' meeting in person or to exercise their voting rights in writing or electronically shall notify the company in writing of the cancellation of the entrustment in writing two days before the meeting of the shareholders' meeting; The voting rights exercised by persons attending shall prevail.

After the power of attorney is delivered to the company, shareholders who wish to attend the shareholders' meeting by video conferencing shall notify the company in writing of the revocation of the proxy two days before the shareholders' meeting.

- 5、The venue shall be located somewhere around the Company for the convenience of shareholders. The time shall not be earlier than 9:00 in the morning or later than 3:00 in the afternoon. The venue and time of the meeting shall take into account the opinions of independent directors.

When the company convenes a video conference of shareholders, it is not subject to the restriction on the venue of the preceding paragraph.

- 6、The company shall specify in the meeting notice the time and place of the registration of the accepting shareholders, solicitors, and entrusted agents (hereinafter referred to as shareholders), as well as other matters that should be noted.

The time for accepting shareholders' registration in the preceding paragraph shall be made at least 30 minutes before the start of the meeting; the registration office shall be clearly marked, and appropriate and competent personnel shall be assigned to handle it; the video

conference of the shareholders' meeting shall be held 30 minutes before the start of the meeting by video. The meeting platform accepts registration, and shareholders who complete the registration are deemed to have attended the shareholders meeting in person.

Shareholders should present the attendance certificate, attendance card or other attendance certificate to attend the shareholders meeting. The company shall not arbitrarily add other certification documents to the certification documents relied on by shareholders to attend; the applicant who is soliciting the power of attorney should bring identification documents. , for verification.

The company shall set up a signature book for the attending shareholders to sign in, or the attending shareholders shall hand in the sign-in card to sign in on their behalf.

The company shall deliver the procedure manual, annual report, attendance certificate, speech slips, votes and other meeting materials to shareholders present at the shareholders' meeting; if there is an election of directors (including independent directors), an additional ballot shall be attached.

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

If the shareholders' meeting is held by video conference, shareholders who wish to attend by video conference should register with the company two days before the shareholders' meeting.

If the shareholders' meeting is held by video conference, the company shall upload the procedure manual, annual report and other relevant materials to the video conference platform of the shareholders' meeting at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.

6-1 、 When the company holds a video conference of the shareholders' meeting, the following matters shall be stated in the notice of convening the shareholders' meeting:

1. Shareholders' participation in video conferences and methods for exercising their rights.

2. The handling of obstacles to the video conference platform or participation in video conferences due to natural disasters, incidents or other force majeure events, including at least the following:

- (1) The time for the meeting to be adjourned or re-adjourned if the pre-occurrence obstacle persists and cannot be ruled out, and the date of the meeting if it is to be adjourned or re-adjourned.

- (2) Shareholders who have not registered to participate in the original shareholders meeting by video conferencing shall not participate in the extension or renewal Meeting.

- (3) Holding a video-assisted shareholders meeting, if it is impossible to continue the video-conference meeting, after deduction

The number of shares attending the shareholders meeting by video

conference, the total number of shares attending the shareholders meeting shall reach the statutory quota for the shareholders meeting. The process should be continued Shareholders who participate by video conferencing shall be counted in the total number of shares of shareholders present.

All resolutions of the second shareholders' meeting shall be deemed as abstentions.

(4) In the event that all the motions have been announced, but no provisional motion has been made, the way it is handled.

3. To convene a video conference of shareholders, and to specify appropriate alternatives to shareholders who have difficulty participating in shareholders by video. Convene a video conference of shareholders and specify appropriate alternative measures for shareholders who would have difficulty participating via video conference. Except for the circumstances stipulated in Paragraph 6 of Article 44-9 of the Standards for Handling Stock Affairs of Companies with Public Issuance of Stocks, shareholders should at least be provided with connection equipment and necessary assistance, and the period during which shareholders can apply to the company and other relevant matters should be noted. matter.

- 7 、 If the shareholders' meeting is convened by the board of directors, the chairman of the board of directors shall be the chairman of the board of directors. When the chairman of the board asks for leave or cannot exercise his powers, the deputy chairman shall act on his behalf. At that time, the chairman shall appoint one person as the managing director; if he does not have a managing director, he shall appoint one person as the agent; if the chairman does not appoint an agent, the managing director or the director shall appoint one person to act as the agent.

Former chairman of the Department of Managing Directors or by the agent in order to serve more than six months, and to understand the company's financial and business conditions as the managing director or directors. If the President is a legal representative director who likewise. The shareholders' meeting convened by the board of directors should be presided over by the chairman of the board, and more than half of the directors and at least one independent director of the board should be present in person. record.

If the shareholders' meeting is convened by a convener other than the board of directors, the chairman shall be the convener. If there are more than two conveners, one person shall be elected.

The Company may appoint attorneys, accountants or related persons to attend the shareholders' meeting. Conduct a shareholders' meeting shall wear identification badges or armbands.

- 8 、 The company shall report to the shareholders from the time when the shareholders report to the investors, the meeting shall proceed, and the voting process shall be continuous and uninterrupted. The audiovisual materials in the preceding paragraph shall be kept for at least one year.

However, those who filed a lawsuit in accordance with Article 189 of the Company Law shall keep it until the end of the lawsuit.

If the shareholders' meeting is held by video conference, the company shall record and save the shareholders' registration, registration, registration, questioning, voting and company vote counting results, and record and video the entire video conference without interruption.

The above-mentioned materials and audio and video recordings shall be properly preserved by the company during the period of existence, and the audio and video recordings shall be provided to those who are entrusted to handle video conference affairs for preservation.

9、The attendance of the shareholders' meeting shall be based on the shares.

The number of shares present is calculated based on the signature book or the signed-in card paid, plus the number of shares exercising voting rights in writing or electronically.

When the meeting time has expired, the chairman shall announce the meeting immediately. At the same time, relevant information such as the number of non-voting rights and the number of shares present will be announced. However, when no shareholder representing more than half of the total issued shares is present, the chairman may announce the postponement of the meeting. The number of postponements is limited to two, and the total postponement time shall not exceed one hour.

When there are insufficient shareholders representing more than one-third of the total number of issued shares after the second delay, the chairman shall announce that the meeting shall not be established. If the shareholders' meeting is held by video conference, the company shall also announce the streaming meeting on the video conference platform of the shareholders' meeting.

If the attendance is still not sufficient after two times of delay, but the number of representatives reaches 1/3 of the total shares, false resolution can be performed in accordance with Article 175 Provision 1 of Company Act. And before such meeting ends, if the number of shareholders or representatives exceeds more than half, the Chairman may ask for another resolution of the false resolution in accordance with Article 174 of Company Act. When the second postponement is still not enough to represent more than one third of the total number of issued shares, the chairman will announce the circulation.

An interim resolution was announced to notify shareholders to convene a general meeting of shareholders within one month. If the shareholders meeting is held by video conference, shareholders who wish to attend by video conference shall re-register with the company in accordance with Article 6.

An interim resolution was announced to notify shareholders to convene a general meeting of shareholders within one month.

Before the end of the current meeting, if the number of shares represented by shareholders present reaches more than half of the total number of issued shares, the chairman may re-submit the false resolution

to the shareholders' meeting for voting in accordance with Article 174 of the Company Law.

- 10、If the shareholders' meeting is convened by the board of directors, the agenda shall be determined by the board of directors. The relevant motions (including interim motions and amendments to the original motions) shall be voted on in a case-by-case manner. .

If the shareholders' meeting is convened by a convening person other than the board of directors, the provisions of the preceding paragraph shall apply.

The agenda set in the first two items shall not be declared by the chairman unless the resolution is concluded (including the provisional motion). If the chairman violates the rules of procedure and declares the adjournment, the other members of the board shall promptly assist the shareholders to attend the legal procedures to The majority of the shareholders who voted more than half agreed to elect one person to be the chairman and continue the meeting.

The chairman shall give the opportunity for full explanation and discussion of the motions and amendments or temporary motions proposed by shareholders. When he thinks that the voting has reached the level of voting, he may declare that the discussion shall be stopped, the voting shall be put forward, and adequate voting time shall be arranged.

- 11、Before making a speech in the meeting of shareholders, must fill out the speech note to notify the topic, shareholder number (or attendance number) and account name, the Chairman will decide the order of giving speeches.

Shareholders who have turned in speech notes will get to speak up, for those who do not speak up will be regarded as not spoken. If the content of speech does not match the content in the speech note, shall base on the content of speech.

Each shareholder of the same motion may speak no more than twice without the chairman's consent, and no more than five minutes each time. However, if the shareholder's speech violates the regulations or exceeds the scope of the agenda, the chairman may stop his speech.

As a shareholder speaks, others must not interfere unless he/she is approved by the Chairman or the shareholder who gives a speech, any violations shall be prevented.

When a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one person may speak on the same proposal.

After attending the shareholder speech, the chairman may reply in person or by designating relevant personnel.

If the shareholders meeting is held by video conference, the shareholders participating by video conference may ask questions in

text form on the video conference platform of the shareholders meeting after the chairman announces the meeting and before the announcement of the adjournment of the meeting. Items 1 to 5 do not apply to the limit of 200 characters.

If the question mentioned in the preceding paragraph does not violate the regulations or does not exceed the scope of the proposal, it is advisable to expose the question on the video conference platform of the shareholders' meeting for public knowledge.

12 、 The voting of the shareholders' meeting shall be based on the shares.

The resolution of the shareholders' meeting does not count the total number of shares issued by non-voting shareholders.

Shareholders may not participate in voting on matters at the meeting that may be detrimental to the interests of the company due to their own interests, and may not exercise their voting rights on behalf of other shareholders.

The number of shares that cannot exercise voting rights in the preceding paragraph is not included in the voting rights of shareholders who have attended.

Except for a trust business or a stock agency approved by the securities authority, when one person is entrusted by two or more shareholders at the same time, the voting rights of his agent shall not exceed 3% of the total voting rights of the issued shares, and if it exceeds the voting rights, Not calculated.

13 、 Shareholders have one voting right per share; however, those who are restricted or have no voting rights listed in the second paragraph of Article 179 of the Company Law are not subject to this limit.

When the company convenes a shareholders 'meeting, it shall adopt electronic means and may exercise its voting rights in writing; when it exercises its voting rights in writing or electronically, the method of exercise shall be stated in the notice of the shareholders' meeting.

Shareholders who exercise their voting rights in writing or electronically are deemed to attend the shareholders' meeting in person.

However, the provisional motion of the shareholders meeting and the amendment of the original motion are regarded as abstentions, so the company should avoid proposing the motion and the amendment of the original motion.

In the case of exercising voting rights in writing or electronically in the preceding paragraph, the intention means that it shall be served on the company two days before the meeting of the shareholders' meeting. If there is any duplication, the first one shall prevail. However, those who have expressed their intention before the withdrawal are not subject to this limit.

After the shareholders exercise their voting rights in writing or electronically, If they want to attend the general meeting in person or by video,, they shall withdraw the exercise of voting rights in the preceding paragraph in the same manner as the voting rights two days before the meeting of the shareholders' meeting; The right to vote shall

prevail. If the voting right is exercised in writing or electronically and the proxy is used to entrust an agent to attend the shareholders' meeting, the voting right entrusted to the agent shall prevail.

The voting on the resolutions shall be passed with the consent of more than half of the voting rights of the shareholders present, unless otherwise provided by the Company Law and the Articles of Association. When voting, the chairman or his designated person announces the total number of voting rights to attend the shareholders, and the shareholders vote on a case-by-case basis, and the results of shareholders' consent, objections and abstentions are entered into the public information observatory on the day after the shareholders' meeting.

When there are amendments or alternatives to the same bill, the chairman shall determine the order of voting with the original bill. If one of the cases has been passed, the other motions will be considered as vetoes. Please do not vote again.

The scrutineers and vote counting staff for voting on the resolutions shall be designated by the chairman, but the scrutineers shall have the status of shareholders.

The counting of votes at the shareholders' meeting or the election proposal shall be made public in the shareholders' meeting, and the voting results shall be announced on the spot after the counting of votes is completed, including statistical weights, and a record shall be made.

The company convened a video conference of the shareholders' meeting. Shareholders who participated by video should conduct voting on various resolutions and voting on election proposals through the video conference platform after the chairman announces the meeting. The voting should be completed before the chairman announces the close of voting. deemed a waiver.

If the shareholders meeting is held by video conference, after the chairman announces the close of voting, the votes shall be counted at one time, and the voting and election results shall be announced.

When the company holds a video-assisted shareholders meeting, shareholders who have registered to attend the shareholders' meeting by video-conference in accordance with the provisions of Article 6, who wish to attend the physical shareholders' meeting in person, shall cancel the registration in the same manner as the registration two days before the shareholders' meeting; Those who cancel within the time limit can only attend the shareholders' meeting by video conferencing.

A person who exercises voting rights in writing or electronically without revoking his intention and who participates in the shareholders' meeting by video conferencing shall not exercise voting rights on the original proposal or propose amendments to the original proposal or amendments to the original proposal except for temporary motions. exercise voting rights.

- 14 、 When the shareholders have elected directors (including independent directors), they shall be handled in accordance with the relevant

selection rules stipulated by the company, and shall announce the election results on the spot, including the list of elected directors (including independent directors) and the number of their election rights and the number of un-elected directors (including independent directors)) List and the number of voting rights obtained.

- 15 、 The matters discussed at the shareholders' meeting shall be made into the minutes, which shall be signed or sealed by the chairman, and the minutes shall be distributed to the shareholders within 20 days after the meeting. The production and distribution of proceedings can be done electronically.

The distribution of the proceedings in the preceding paragraph allows the company to enter the announcement method of the public information observatory.

Proceedings shall be recorded according to the year, month, day, venue, name of the chairman, resolution method, method of discussion and voting results (including statistical weights). When there are elected directors (including independent directors), each The number of votes for each candidate. During the existence of the company, it should be kept permanently.

If the shareholders' meeting is held by video conference, the minutes of the shareholders' meeting shall record the start and end time of the shareholders' meeting the method of convening the meeting, the name of the chairman and the record, and the name of the chairman of the shareholders' meeting, as well as the events caused by natural disasters, incidents or other force majeure. The handling method and handling situation when an obstacle occurs to the video conferencing platform or participation by video conferencing.

In addition to complying with the provisions of the preceding paragraph when convening a video-conference shareholders meeting, the Company shall specify in the minutes of the meeting the alternative measures provided by shareholders who have difficulty participating in video-conference.

- 16 、 The number of shares acquired by the solicitor, the number of shares represented by the proxy, and the number of shares attended by shareholders in writing or electronically, the company shall, on the day of the shareholders' meeting, prepare a statistical table in the prescribed format, and make it clear at the shareholders' meeting venue. If the shareholders' meeting is held by video conference, the company shall upload the aforementioned information to the video conference platform of the shareholders' meeting at least 30 minutes before the start of the meeting, and continue to disclose it until the end of the meeting.

The company holds a video conference of the shareholders' meeting.

When announcing the meeting, the total number of shareholders' shares present shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights of the shareholders attending the meeting are otherwise counted during the

meeting.

For matters decided by the shareholders' meeting, if there is any significant information required by laws and regulations or Taiwan Stock Exchange Co., Ltd., the company shall transmit the content to the public information observatory within the prescribed time.

- 17、Personnel handling the shareholders' meeting shall wear identification cards or armbands.

The chairman may direct pickets or security personnel to help maintain order in the venue. The picket or security personnel shall wear the "picket" badge or identification card when they are present to help maintain order.

If there is a public address facility in the venue, and the shareholder does not speak with the equipment provided by the company, the chairman may stop it.

Shareholders who violate the rules of procedure and do not obey the chairman's rectification, which hinders the progress of the meeting and stop the non-compliance, the chairman may direct the picket or security personnel to ask them to leave the venue.

- 18、The Chairman may decide on his/her own whether to have a break during the meeting. In the event of an irresistible situation, the chairman may decide to temporarily suspend the meeting and announce the time for the continuation of the meeting as appropriate. The agenda scheduled by the shareholders' meeting cannot be used until the meeting (including temporary motions) has ended. The shareholders' meeting may decide to find another venue to continue the meeting.

The shareholders' meeting may, in accordance with the provisions of Article 182 of the Company Law, decide to extend or renew the assembly within five days.

- 19、If the shareholders' meeting is held by video conference, the company shall immediately disclose the voting results and election results of various proposals on the video conference platform of the shareholders' meeting in accordance with the regulations, and shall continue to disclose for at least 15 years after the chairman announces the adjournment of the meeting. minute.

- 20、When the company holds a video-video shareholders meeting, the chairman and the recorder shall be at the same place in China, and the chairman shall announce the address of the place at the time of the meeting.

- 21、If the shareholders' meeting is held by video conference, the chairman shall, when announcing the meeting, separately announce that there is no need for postponement or continuation of the meeting as stipulated in Paragraph 24 of Article 44-24 of the Share Handling Standards for Companies Offering Shares Publicly. Before the meeting, due to natural disasters, incidents or other force majeure events, if there is an obstacle to the video conference platform or participation by video, which lasts for more than 30 minutes, the date of the meeting should

be postponed or renewed within five days. The first company law does not apply The provisions of Article 182.

In the event of the occurrence of the preceding paragraph, the meeting shall be postponed or continued. Shareholders who have not registered to participate in the original shareholders meeting by video conference shall not participate in the postponed or continued meeting.

The meeting should be adjourned or continued in accordance with the provisions of Paragraph 1. Shareholders who have registered to participate in the original shareholders meeting by video and have completed the registration, but have not participated in the postponed or continued meeting, the number of shares attended, the voting rights exercised and the Voting rights shall be included in the total number of shares, voting rights and voting rights of shareholders present at the adjourned or continued meeting.

When the shareholders meeting is postponed or resumed in accordance with the provisions of Paragraph 1, it is not necessary to re-discuss and resolve the resolutions for which the voting and counting of votes have been completed, and the voting results or the list of elected directors are announced.

The company convened a video-assisted shareholders meeting. When the first paragraph of the video conference cannot be continued, if the total number of attended shares still reaches the statutory quota for the shareholders meeting after deducting the number of shares attended by video conference, the shareholders meeting shall continue. There is no need to postpone or renew the assembly in accordance with the first paragraph.

In the event that the meeting should be continued in the preceding paragraph, the shareholders who participate in the shareholders' meeting by video conference, the number of shares attended shall be included in the total number of shares of the shareholders present, but all the resolutions of the shareholders' meeting shall be regarded as abstention.

The company shall postpone or renew the meeting in accordance with the provisions of Paragraph 1, and shall handle the relevant matters in accordance with the provisions set forth in Article 44-27 of the Standards for the Handling of Shares of Companies Offering Shares, the date of the original shareholders' meeting and the provisions of each of these articles. Pre-work.

The latter paragraph of Article 12 and Paragraph 3 of Article 13 of the Rules for the Use of Power of Attorney for Public Offering Companies to Attend Shareholders' Meetings, and Paragraph 2 of Article 44-5 and Article 44-10 of the Guidelines for the Handling of Share Transactions of Public Offering Companies 5. During the period specified in Paragraph 1 of Article 44-17, the Company shall postpone or renew the date of the shareholders' meeting in accordance with the provisions of Paragraph 1.

22 、 When the company convenes a video conference of shareholders, it shall

provide appropriate alternative measures for shareholders who have difficulty in attending the shareholders meeting by video conference. Except for the circumstances stipulated in Paragraph 6 of Article 44-9 of the Standards for Handling Stock Affairs of Companies with Public Issuance of Stocks, shareholders should at least be provided with connection equipment and necessary assistance, and the period during which shareholders can apply to the company and other relevant matters should be noted. matter.

23 、 This rule will be implemented after approval by the shareholders' meeting and will be the same when it is amended.

24 、 This approach was established on June 30th, 1994.

The first amendment was made on June 29th, 1998.

The second amendment was made on June 26th, 2002.

The third amendment was made on June 20th, 2006.

The Fourth amendment was made on June 25th, 2013.

The Fifth amendment was made on June 26th, 2015.

The sixth amendment was made on June 28th, 2016.

The seventh amendment was made on June 17th, 2020.

The eighth revision is on July 22, 2021.

The ninth revision is on June 29, 2022.

The tenth revision is on June 27, 2023.

The Method of election of directors of Kung Sing Engineering Co., Ltd.

Article 1 : Directors of the Company shall be elected in accordance with this approach.

Article 2 : When the company's directors are elected, the registered voting method is adopted. Each share has the same voting rights as the number of directors to be elected. One person may be elected collectively or several persons may be elected separately.

Those with more voting rights shall be elected as directors in turn.

Article 3 : Before the election begins, the chairman shall appoint a number of scrutineers and tellers each to perform various related duties, but the scrutineers shall have the status of shareholders. The ballot box is prepared by the board of directors.

Article 4 : The number of directors of the company is determined by the company's articles of association, and the voting rights of independent directors and non-independent directors are calculated respectively, and the votes obtained shall represent the higher number of voting rights.

In the election of directors, if two or more persons have the same number of voting rights and exceed the number of candidates, the decision will be made by drawing lots for those with the same number of voting rights, and the chairman shall draw lots for those who do not attend.

The election of directors shall adopt a candidate nomination system in accordance with Article 192 of the Company Law.

Article 4-1: Qualifications of the Company's independent directors shall meet Articles 2, 3, and 4 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".

Election of the Company's independent directors shall meet Articles 5, 6, 7, 8, and 9 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", as well as Article 24 of "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies".

If the directors are dismissed for some reason and there are fewer than five people, the company shall be elected at the latest shareholders meeting.

However, if the vacancy of directors reaches one-third of the number of seats specified in the articles of association, the company shall convene a by-election of an extraordinary meeting of shareholders within 60 days

from the date of the fact.

If the number of independent directors is not enough as stipulated in the proviso of Article 14-2 of the Securities Exchange Act, they shall be elected at the latest shareholders meeting; when independent directors are dismissed, they shall convene an interim shareholder meeting within 60 days from the date of the fact There will be a by-election.

Article 5: The board of directors shall prepare the same voting ballot as the number of directors to be elected, fill in the number of votes, and distribute it to shareholders attending the shareholders meeting. The name of the elector may be replaced by the attendance card number printed on the ballot.

Article 6 : The ballot will be invalid if there is one of the following conditions

- (1) No ballot prepared by a person with the right to convene is used.
- (2) Putting blank ballots into the ballot box.
- (3) The handwriting is blurred and unrecognizable or has been altered.
- (4) The filled-in list of elected persons and director candidates does not match after verification.
- (5) In addition to filling in the number of voting rights allocated, other words are inserted.

Article 7 : The ballot will be opened on the spot after the voting is completed, and the result of the balloting shall be announced on the spot by the person designated by the chairman, including the list of directors elected along with the number of elected rights and the list of unsuccessful directors and the number of election rights obtained.

Article 8 : The board of directors shall issue a notice of election to the elected directors, and the elected persons shall sign a letter of willingness to do so.

Article 9 : This method shall be implemented after being approved by the shareholders' meeting, and the same shall apply when amended.
The amendment was approved by the shareholders meeting on June 29, 2021.

Appendix 5

Directors holdings

- 1.The Company's paid-up capital is \$4,922,801,550, the number of shares issued is about 492,280,155.
- 2.In accordance with Article 26 of Securities and Exchange Act, all the directors shall hold a minimum of 16,000,000 shares, The Company has an audit committee, it does not apply to the number of shares specified supervisors.
3. By "public offering of company directors, supervisors and Review Procedures stake into Rules" Article II, the number of holdings into two or more independent directors elected, all directors outside independent directors, supervisors calculated according to the ratio of 80% .
- 4.By the closure date of transfer in the general meeting shareholders this time (April 27th, 2024),the number of shares the individual and all directors as recorded on the list of shareholders is as follows:

Type of shares held: Ordinary shares			
Position	Name	The number of shares recorded on the list of shareholders on the closure date of transfer	Shareholding ratio
		Number of shares	
Chairman of the board	Ch'uan Fu Investment Co. Ltd. Representative: Chen ,huang-ming	13, 321, 163	2. 71%
Director	Ch'uan Fu Investment Co. Ltd. Representative:: Chiang,chi-ching		
Director	Ju hsiang Investment Co., Ltd Representative: Li, shu-hsü	5, 507, 594	1. 12%
Director	Ju hsiang Investment Co., Ltd Representative: P'an,kuan-ju		
Independent Directors	Chen, chin- yueh	0	0. 00%
Independent Directors	Tu,yi- yang	0	0. 00%
Independent Directors	Chiang jung ch'ing	33, 000	0. 01%
Total director shares		18, 861, 757	3. 83%

Note: Independent director Chiang jung ch'ing was elected at the regular meeting of shareholders on June 27, 2023.