

Security Code: 2520

Meeting Handbook
2023 Annual Shareholders' Meeting

Kindom Development Corp.



Time: 9:00 a.m., June 19th, 2023

Venue: No. 131, Sec. 3, Heping E. Rd., Da'an Dist., Taipei City 106, Taiwan (The 1st floor lobby in the Company)

Meeting Method: Physical Meeting

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Kindom Development Corp.

Procedure for the 2023 Annual General Shareholders' Meeting

- I. Call the Meeting to Order
- II. Chairman's Remarks
- III. Announcements
- IV. Ratifications
- V. Discussions
- VI. Extempore Motions
- VII. Adjournment

Kindom Development Corp.

Agenda for the 2023 Annual General Shareholders' Meeting

Time: 9:00 a.m., Monday, June 19th, 2023

Venue: No. 131, Sec. 3, Heping E. Rd., Da'an Dist., Taipei City 106, Taiwan (The 1st floor lobby in the Company)

Meeting Method: Physical Meeting

I. Reports :

- (I) 2022 Business Report.
- (II) 2022 Audit Committee's Review Report
- (III) 2022 Employees' and Directors' Remuneration Distribution Report
- (IV) Amendments to the Company's "Regulations Governing the Transfer of Repurchased Shares to Employees".
- (V) Report on the Resolution to Repurchase the Company's Shares and its Implementation in 2022.
- (VI) Other Matters:
 - 1. Endorsements/Guarantees Provided for Others.
 - 2. To amend certain Articles of the Company's "Rules of Procedure for Board of Directors Meeting".
 - 3. To amend certain Articles of the Company's "Corporate Governance Best-Practice Principles".
 - 4. To amend certain Articles of the Company's "Code of Practice Principles for Sustainable Development".

II. Acknowledgments:

- (I) The Company's 2022 Business Report and Financial Statements.
- (II) The Company's 2022 Earnings Distribution.

III. Discussions:

- (I) Amendments to the Company's Rules of Procedure for Shareholders' Meetings
- (II) Amendment to the "Articles of Incorporation".

IV. Extempore Motions

V. Adjournment

I. Announcements

- (I) To report on the company's 2022 Business Report.

Please refer to Attachment I on Pages 9-12 of the Handbook for the 2022 Business Report.

- (II) 2022 Audit Committee's Review Report

Please refer to Attachment II on Page 13 of the Handbook for the Audit Committee's Review Report.

- (III) To report on the 2022 Employees' and Directors' Remuneration Distribution Report.

As approved by the 21st meeting of the 12th-term Board of Directors on March 14, 2023, NT\$41,942,310 will be allocated for employees' compensation, and NT\$41,942,310 will be allocated for remuneration of Directors, which will be distributed in cash.

- (IV) Amendments to the Company's "Regulations Governing the Transfer of Repurchased Shares to Employees".

As approved by the 3rd meeting of the 13th-term Board of Directors on August 5, 2022, the 4th meeting of the 13th-term Board of Directors on November 9, 2022, and the 8th meeting of the 13th-term Board of Directors on March 14, 2023, the "Regulations Governing the Transfer of Repurchased Shares to Employees" of the Company were amended, and please refer to Attachment III on pages 14~18 of this Handbook for a comparison of the amended provisions.

(V) Report on the Resolution to Repurchase the Company's Shares and its Implementation in 2022.

Currency : NT\$

Repurchase Session	The 4th time
Purpose for Repurchase	Transfer of shares to employees
Repurchase Period	August 10, 2022 to October 6, 2022
Price Range during Repurchase Period	\$21~\$38 (The company's share price is below the lower limit of the price range and will continue to be repurchased)
Type and quantity of shares repurchased	1,000,000 Shares of Common Stock
Amount of shares repurchased	NT\$27,519,931 / Average repurchased cost per share \$27.52
The ratio of repurchased quantity to the estimated repurchase quantity (%)	100%
Number of shares canceled and transferred	-
Cumulative number of shares held by the Company	1,000,000 Shares of Common Stock
Ratio of the cumulative number of shares held by the Company to the total number of issued shares(%)	0.18%

(VI) Other Matters:

1. The Company's endorsement/guarantee for others:

The Company did not provide endorsements/guarantees for others until December 31, 2022.

2. To amend certain Articles of the Company's "Rules of Procedure for Board of Directors Meeting":

As approved by the 4th meeting of the 13th-term Board of Directors on November 9, 2022, certain provisions in the "Rules of Procedures of Board Meeting" were amended in accordance with Jin-Guan-Zheng-Fa-

Zi No. 1110383263, issued by the Financial Supervisory Commission on August 5, 2022. Please refer to Attachment IV on pages 19 to 22 of this Handbook for a comparison of the amended provisions.

3. To amend certain Articles of the Company's "Corporate Governance Best-Practice Principles":

As approved by the 8th meeting of the 13th-term Board of Directors on March 14, 2023, certain provisions in the "Rules of Procedures of Board Meeting" were amended in accordance with the Letter Tai Cheng Chih Li Tzu No. 1110024366 issued by Taiwan Stock Exchange Corporation on December. 23, 2022. Please refer to Attachment V on pages 23 to 27 of this Handbook for a comparison of the amended provisions.

4. To amend certain Articles of the Company's "Code of Practice Principles for Sustainable Development":

As approved by the 8th meeting of the 13th-term Board of Directors on March 14, 2023, certain provisions in the "Code of Practice Principles for Sustainable Development" were amended in accordance with the Letter Tai Cheng Chih Li Tzu No. 1110024366 issued by Taiwan Stock Exchange Corporation on December. 23, 2022. Please refer to Attachment VI on pages 28 of this Handbook for a comparison of the amended provisions.

II. Ratifications

Proposal 1

Proposed by the Board of Directors

Proposal: To adopt the Company's 2022 Business Report and Financial Statements.

Description:

- I. The Company's 2022 consolidated and individual balance sheets, statements of comprehensive income, statements of changes in equity and statements of cash flows have been prepared and audited by certified public accountants, I-Lien, Hon and Kuo-Yang Tseng of KPMG, and submitted to the annual shareholders' meeting in accordance with the law along with the business report, which has been reviewed by the Audit Committee.
- II. Please refer to Attachment I on Page 9~12 and the Attachment VII on Page 29~48 of the Handbook for the 2022 Business Report, Independent Auditors' Report and the above Financial Statements.
- III. Request for Ratification.

Resolution:

Proposal 2

Proposed by the Board of Directors

Proposal: To adopt the proposal for the earnings distribution for 2022.

Description:

- I. The proposal has been approved by the 8th meeting of the 13th-term Board of Directors on March 14, 2023.
- II. The Company's undistributed earnings at the beginning of the year of 2022 was NT\$6,782,237,000, plus net income after tax for the period was NT\$2,333,895,800 and appropriation of changes in remeasurements of defined benefit plans of NT\$2,925,109. After appropriation of legal capital reserve of NT\$233,682,091 and of special reserve of NT\$183,136. The distributable net profit for the current period was NT\$8,885,558,954. It is proposed that NT\$969,797,675 be allocated as bonus for shareholders, which will be distributed in cash and round down to NT\$1, the aggregated amount of bonus less than NT\$1 will be included as other income for the Company.
- III. After the case has been approved by the annual shareholders' meeting, the board of directors will be authorized to stipulate the ex-dividend date and other related matters.
- IV. In case of changes in the dividend distribution ratio resulted by changes in the number of outstanding shares of the Company due to requirement by competent authorities or repurchase of Company shares, it is proposed that the Board of Directors be authorized to make necessary adjustments to the distribution ratio.
- V. Please refer to the Attachment VIII on Page 49 of the Handbook for the 2022 Earnings Distribution.
- VI. Request for Ratification.

Resolution:

III. Discussions

Proposal 1

Proposed by the Board of Directors

Proposal: To discuss the proposal for the amendments to the Articles of Incorporation.

Description:

- I. In accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies, video conferencing is added as a method to hold shareholders' meetings, and certain provisions of the company's "Rules of Procedures for Shareholders' Meetings" have been amended. For a comparison table of the amended provisions, please refer to Attachment IX on pages 50-55 of this Handbook.
- II. Request for ratification.

Resolution:

Proposal 2

Proposed by the Board of Directors

Proposal: To discuss the amendments to the Company's Articles of Incorporation.

Description:

- I. To amend certain provisions in the Articles of Incorporation of the Company in order to meet the actual operational demand of the Company. For the comparison table of the provisions before and after revision, please refer to Attachment X on Page 56-58 of this Handbook.
- II. Request for ratification.

Resolution:

IV. Extempore Motions

V. Adjournment

Attachments I

2022 Business Report

In 2022, the construction business, which accounted for nearly 36% of the revenue of the three major businesses operated by the Company and the Group, declined by 52 due to factors including the central bank entering a cycle of interest rate hikes, the government's housing policy not yet relaxed, and the domestic economy not reaching the performance level as expected. The manufacturing business, which accounted for 57% of revenue, increased by 56% due to increase in the number of projects undertaken by external customers. The department store business, which accounts for nearly 7% of revenue, increased by 29% due to the strong consumption rebound after the epidemic control was lifted. Combining the above factors, the consolidated operating income fell from NT\$25.191 billion in 2021 to NT\$21.506 billion, a decrease of 15%. The after-tax net profit attributable to the parent company's business in 2022 was NT\$2.334 billion, a decrease of 33% from NT\$3.508 billion in 2021; and the after-tax earnings per share decreased slightly from NT\$6.47 to NT\$4.31.

Currently, some of the main construction projects in the development segment that have been completed, under construction or in the pre-sale process include the following: "Kindom Xinyi B", "Kindom Xinyi C", "Kindom Xinyi F", "Kindom Roosevelt", "Kindom Tai Ji", "Kindom Wen Xin Dian", "Kindom Tian Yun", "Kindom Dazi Kan", "Kindom Hsin Tian Hui", and so on. These projects amounting to a total of 9, have a combined number of about 508 total saleable households. The construction segment has been successful in securing contracts with nearly 10 external customer projects. These mainly include construction for the government's transportation infrastructure, medical buildings of public hospitals and projects from electronics companies that are listed on the stock exchange, amounting to a total contract value of more than NT\$ 36.5 billion. The department store segment manages eight shopping complexes of full-service shopping mall "Xinbei Zhonghe" and "Pingtung" and station associated shopping mall "Nangang Station", "Banqiao Station", "Taoyuan A8", "Linkou A9""New Zuoying Station" and "Taoyuan A19, with a total business area of about 50,000 square feet. In the face of the changing lifestyles in the post-epidemic era, the addition of the "Global Online" virtual platform combined with the advantages of transportation available at the station provided members with quality shopping services, which results in a steady growth in overall sales.

Global inflationary pressure climbed in FY111 along with rising international raw material prices, and the shortage of labor and materials remain unabated. As a result, construction costs remain high, which supported the housing prices. However, due to the monetary tightening policies implemented by the central banks of various countries, a large amount of overseas funds retreated, the economic recovery slowed down, and the domestic central banks followed up with interest rate hikes, which also affected mortgage affordability and other factors. People took a wait-and-see attitude in purchasing homes, and the housing market showed a cooling trend. The number of housing units sold and transferred in the country was 318,101, which is an annual decrease of 8.6% from 348,194 in 2021 and a record low in the past three years. Despite the increase in demand for factory expansion and the government's active promotion of forward-looking infrastructure projects, the construction industry has seen a slowdown in demand growth due to the double-rise variables in labor and material costs and the relatively depressed growth rate of private investment. In 2022, under the effective control of the pandemic due to the increase in the vaccination rate in Taiwan, people's lives gradually returned to normal. The government launched various revitalization plans to increase the consumption momentum of the general public and the turnover gradually stabilized in the department store business. Looking forward to 2023, due to the increase in mortgage interest rates and the average land rights ordinance and other housing market measures, the market momentum has been suppressed, and the problem of labor shortage and soaring costs in the industry has not yet been alleviated. Due to the above reasons, purchasing intentions and confidence are more conservative, and the construction industry growth remain at a stable yet conservative standard. However the department store industry will gradually grow along with the alleviation of the pandemic and related policies.

Kindom Development Co., Ltd. has been adhering to the concept of "integrity, service, innovation and sustainability" to operate and integrate the construction, manufacturing and shopping mall, and together with the Foundation to form a comprehensive real estate development team integrating "investment, construction, life and entertainment", and continued to make steady progress with four major business principles such as "strengthening corporate governance", "implementing internal control system", "integrating group resources" and "participating in social welfare", in order to strive to provide high-quality products and serve the public, practice social responsibility, and actively respond to environmental and social expectations. The

Construction and Operation Department continues to develop high-quality land to match urban development and has actively obtained a number of public office urban renewal projects, such as the "Nangang Taipower Storage Project", "Taiwan Railway Train Station E1E2 Project", and "Taipei City Line 2 and Line 3 Public Office Urban Renewal Project". The development is a combination of residential, commercial, and business facilities, with the goal of creating an urban landmark by linking door-to-door axis to view customer needs as the core, deepen service quality to enhance product added value, use digital tools and focus marketing, rapid dematerialization, and enhance corporate competitiveness. With the goal of maintaining high-tech and high value-added project proposals, the manufacturing segment accurately manages the implementation schedule of split projects through a complete manufacturer's supply chain, regularly reviews the supply and demand trends of bulk building materials, achieves the goals of construction schedule, cost and quality such as quality, and creates a win-win and mutual benefit with owners and suppliers. The department store's operations department uses digital and physical set-ups to introduce diverse and experiential brands and develop each mall's identity to meet customers' daily needs through thoughtful and innovative quality services.

As the world enters a critical state of climate change, the construction industry accounts for nearly 40% of global carbon emissions. According to the National Development Council's "Net Zero Transformation Pathway Plan", by 2050 all new buildings and 85% of existing buildings will be required to become "near-zero carbon buildings". In order to realize low-carbon green homes early, the Kindom Group has integrated its subsidiaries Kindom Development, Kedge Construction Co., Ltd., and Global Mall, and established the Sustainable Development Committee. With "Green Home", "Smart City", "Happy Home", "Integrity Enterprise" and "Innovation Together" as the sustainability strategy blueprint of Kindom Group, the Company has formulated a five-year medium and long-term plan (2023-2027) to focus on building green homes, responsible supply chain, talent cultivation, and caring for the disadvantaged. In 2022, a greenhouse gas inventory was launched to implement scientific-based carbon reduction paths, and the Company continues to work with downstream partners to gradually incorporate "low-carbon," "recycling," "health," and "smart" design plans into the products and services, aiming to create a low-carbon sustainable homeland.

Looking ahead, the Kindom Group aims to achieve "the leading brand of all-round

real estate developer", and continues to develop the company's sustainable brand spirit, integrate the Group's resources to develop multi-faceted, low-carbon sustainable construction by recycling and energy saving, and improve quality and technology in all aspects. Through sustainable services to improve the quality of residential life, the Company follows the founder's philosophy to promote reading and advocating knowledge equality and caring for the disadvantaged in the local community while joining hands with downstream suppliers, customers and employees to realize the vision of "implementing ESG, building sustainable cities and spreading the value of happy living".

Chairman:
Mike, Ma

General Manager:
Chang-Rong, Hsieh
Sheng-An, Chang

Chief Accounting Officer:
Shu-Lien, Chang

Attachments II

The Audit Committee's Review Report for Kindom Development Co., Ltd.

Now, Therefore

The Board of Director submitted the financial statements of the Company for the year 2022, and these statements were audited by KPMG Taiwan through the accountants, I-Lien, Hon and Kuo-Yang Tseng. The aforementioned financial statements, together with the Business Report and Earnings Distribution Table, have been reviewed by the Audit Committee and no discrepancies were found. A report has been prepared in accordance with Article 14-4 of the Securities & Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Sincerely,

2023 Annual General Shareholders' Meeting of Kindom Development Co., Ltd.

Audit Committee Convener: Hung-Chin, Huang

Mar 14, 2023

Attachments III

Kindom Development Corp.

Comparison Table of Amended Articles for Regulations Governing the Transfer of Repurchased Shares to Employees

Current Provisions	Proposed Amendments	Description
<p>Article 1</p> <p>In order to motivate employees and promote their team building force, the Company has established the Company's share repurchase program for employees in accordance with Subparagraph 1 of Paragraph 17, Article 28-2 of the Securities and Exchange Act and the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" issued by the Financial Supervisory Commission, Executive Yuan. The Company's repurchase of shares and transfer to employees shall be handled in accordance with these Regulations in addition to the relevant laws and regulations.</p>	<p>Article 1</p> <p>In order to motivate employees and promote their team building force, the Company has established the Company's share repurchase program for employees in accordance with Subparagraph 1 of Paragraph 1, Article 28-2 of the Securities and Exchange Act and the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" issued by the Financial Supervisory Commission, Executive Yuan. The Company's repurchase of shares and transfer to employees shall be handled in accordance with these Regulations in addition to the relevant laws and regulations.</p>	<p>Organization's name change.</p>
<p>Article 3</p> <p>The repurchased shares may be transferred to employees in one or more installments within <u>three</u> years from the date of the repurchase in accordance with the provisions of this Regulation. The period of employee stock option payment and related matters for each transfer operation are authorized to be separately determined by the Chairman.</p>	<p>Article 3</p> <p>The repurchased shares may be transferred to employees in one or more installments within <u>five</u> years from the date of the repurchase in accordance with the provisions of this Regulation. <u>The untransferred portion of the shares shall be deemed to be unissued shares of the Company and shall be cancelled and registered for change in accordance with the law.</u></p>	<ol style="list-style-type: none"> 1. Amended in accordance with Subparagraph 1 of Paragraph 1, Article 28-2 of the Securities and Exchange Act and the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" issued by the Financial Supervisory Commission. 2. Added the handling of overdue shares that have not been transferred.
<p>Article 4</p>	<p>Article 4</p>	<ol style="list-style-type: none"> 1. The transfer method clearly stipulates the identification standards

Current Provisions	Proposed Amendments	Description
<p>All the employees of the Company and the employees of the subsidiaries of the Company who directly or indirectly hold more than 50% of the voting shares of the same investee company that took office before the base date of the stock option are entitled to the subscription amount in accordance with the Article 5 of these Regulations.</p>	<p>All full time employee that has been in office for 3 months or more of the company and domestic or foreign controlled or affiliated companies who have taken office before the stock subscription base date or who have made special contributions to the company and have been reported to the board of directors for approval, can enjoy the subscription amount stipulated in Article 5 of these Regulations. <u>The so-called controlling or subordinate companies are recognized in accordance with Article 369-2, Article 369-3, Paragraph 2 o Article 369-9 and Article 369-11 of the Company Act.</u></p> <p><u>If the subject of the transfer leaves or is on leave without pay during the period from the base date of the employee's stock subscription to the deadline of the subscription payment, he/she is disqualified from the subscription.</u></p>	<p>for other types of employees other than full-time employees, and the conditions to be met for such controlled or subordinate companies are clearly stipulated in accordance with the provisions of the Jin-Guan-Zheng-Fa-Zi No. 1070121068 dated December 27, 2018.</p> <p>2. The subject of the addendum is disqualified from subscription under certain conditions.</p> <p>3. As notified by the organizer of the Financial Supervisory Commission of the Executive Yuan by telephone on August 9, 2022, and in accordance with No. Jin-Guan-Zheng-Fa-Zi-1070121068 dated December 27, 2018, the Company shall specify the scope and qualifications of the employees to be transferred and include the criteria for employee identification in the Regulations Governing the Transfer of Repurchased Shares to Employees.</p>
<p>Article 5</p> <p>The number of shares to be subscribed by employees is authorized to be determined by the Chairman of the board of directors based on the employee's ranking,</p>	<p>Article 5</p> <p>The number of shares to be subscribed by an employee shall be determined <u>by the Company, taking into account the employee's length of service, position, performance, overall contribution,</u></p>	<p>1. Amended in accordance with the " Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies".</p> <p>2. According to Article 7 of</p>

Current Provisions	Proposed Amendments	Description
<p>length of service and special contributions to the Company.</p>	<p><u>special merit or other management requirements, and taking into account the total number of shares held by the Company and the maximum number of shares to be subscribed by a single employee as of the base date of the subscription. The number of shares to be transferred to employees and the actual eligibility criteria are determined and submitted to the board of directors for resolution. In the list of subscribers with those who is a managerial personnel, it should be first submitted to the Remuneration and Compensation Committee for deliberation then submitted to the board of directors for resolutions. For those who are not managerial personnel should first submit to the Audit Committee for deliberation and then submit to the board of directors for resolution.</u></p> <p><u>Employees who fail to subscribe for payment at the expiration of the payment period shall be deemed to have forfeited. The board of directors may, at the time of the subscription exercise or during the period of transfer as described in Article 3, negotiate with other employees to subscribe for the remaining balance of the subscription, and submit it to the Audit Committee or the Remuneration Committee for consideration and the board of directors for resolution in accordance with the status of the subscriber.</u></p> <p><u>The Company's repurchase of shares to employees may be restricted from transferring for</u></p>	<p>the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange", the compensation of the manager shall be submitted to the remuneration committee for discussion, and the transferee of the shares repurchased by the listed company shall be approved by the remuneration committee if he/she is a managerial personnel. In addition, in order to strengthen the reward mechanism, if the transferee does not have the status of managerial personnel, he/she should submit to the Audit Committee for approval, therefore the relevant provisions are added.</p> <p>3. For the purpose of talent retention, shares subscribed by employees are restricted from transferring within two years in accordance with Article 167-3 of the Company Act.</p>

Current Provisions	Proposed Amendments	Description
	<p><u>two years. Other matters concerning the rights and obligations of the Company and its employees may be agreed between the Company and its employees as necessary, provided that they do not violate the Securities and Exchange Act, the Company Act and other relevant laws and regulations.</u></p>	
<p>Article 7</p> <p>The transfer price of the repurchased shares to employees is based on the average price of the actual repurchases. However, if there is an increase in the number of common shares issued by the Company prior to the transfer, it may be adjusted by the ratio of the increase in shares issued.</p>	<p>Article 7</p> <p>The transfer price of the repurchased shares to employees is based on the average price of the actual repurchase (calculated to the nearest NT\$ cents and rounded down below), except that if there is an increase in the number of common shares issued by the Company prior to the transfer, the transfer price may be adjusted by the rate of increase in the number of shares issued. If the transfer is made to an employee at a price lower than the average of the actual purchase price, the transfer shall be approved by at least two-thirds of the votes of the shareholders present at the most recent shareholders' meeting representing a majority of the total number of outstanding shares prior to the transfer. The Company shall set forth the matters specified in Article 10-1 of the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" in the reasons for convening the shareholders' meeting before proceeding.</p>	<p>The relevant provisions were amended in accordance with Article 10-1 of the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies".</p>
<p>Article 9</p>	<p>Article 9</p>	<p>1. It is handled in accordance with Article 28-2 of the Securities</p>

Current Provisions	Proposed Amendments	Description
<p><u>Other matters concerning the rights and obligations of the Company and its employees:</u></p> <p>I. <u>The transfer of the Company's repurchased shares to employees shall be made in accordance with Paragraph 4 of Article 150 of the Securities and Exchange Act, and the relevant information shall be submitted to the Securities and Futures Bureau of the Financial Supervisory Commission, Executive Yuan, for approval of the over-the-counter transactions before the transfer is made.</u></p> <p>II. <u>The Chairman of the board of directors is authorized to approve the implementation details of the employee subscription for the repurchased shares of the Company.</u></p>	<p><u>If the Company repurchases shares and transfers them to employees, the taxes and expenses incurred shall be borne by the Company or the employees respectively in accordance with the relevant laws and regulations.</u></p>	<p>and Exchange Act and the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies", and the original article is deleted.</p> <p>2. Relevant regulations on taxes and fees are revised.</p>
<p>Article 11</p> <p>This Regulation shall be submitted to report at the shareholders' meeting, and the same shall apply with amendments.</p>	<p>Article 11</p> <p><u>The resolution of the board of directors to repurchase shares of the Company for transfer to employees and the implementation thereof shall be reported at the latest shareholders' meeting.</u></p>	<p>Amended in accordance with Paragraph 7, Article 28-2 of the Securities and Exchange Act.</p>
<p><u>Add.</u></p>	<p>Article 12</p> <p><u>These Regulations were established on December 27, 2011. The first amendment was made on August 5, 2022. The second amendment was made on November 9, 2022. The third amendment was made on Mar 14, 2023.</u></p>	<p>Date of addition and revision</p>

Attachments IV

Kindom Development Corp. Comparison Table of Amended Articles for Rules of Procedures of Board Meeting

Current Provisions	Proposed Amendments	Description
<p>Article 3 (Omitted) The matters in paragraph 1 of Article 12 of this Regulation, <u>except for sudden emergencies or legitimate reasons</u>, shall be listed in the reasons for convening, and shall not be raised by an extempore motion.</p>	<p>Article 3 (Omitted) The matters in paragraph 1 of Article 12 of this Regulation shall be listed in the reasons for convening, and shall not be raised by an extempore motion.</p>	<p>Amended in accordance with Article 3 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” issued by the Financial Supervisory Commission on August 5, 2022, that was promulgated and revised by the Jin-Guan-Zheng-Fa-Zi No. 1110383263.</p>
<p>Article 4 The unit designated by the board of directors of the company to handle the affairs of the company is the Accounting Division of the Finance Department. The agenda working group shall prepare agenda items for board of directors meetings and provide comprehensive pre-meeting materials, to be sent</p>	<p>Article 4 The unit designated by the board of directors of the company to handle the affairs of the company is the Accounting Division of the Finance Department. <u>The content of the board meeting is determined by the Chairman.</u> The agenda working group shall prepare agenda items for board of directors meetings <u>with the consent of the chairman</u>,and provide comprehensive</p>	<p>The implementation regulations of the agenda working group are clearly stipulated to facilitate compliance.</p>

Current Provisions	Proposed Amendments	Description
<p>together with the notice of the meeting.</p> <p>A director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the board of directors.</p>	<p>pre-meeting materials <u>along</u> to be sent together with the notice of the meeting. <u>The agenda working group is also responsible for the minutes of board meetings and other meeting-related matters.</u></p> <p>A director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the board of directors.</p>	
<p>Article 12</p> <p>The following matters shall be proposed to the Company's Board meeting for discussion:</p> <p>I~V (Omitted)</p> <p>VI. Appointment and/or dismissal of <u>financial or accounting managers</u>, and internal audit officers <u>and staffs</u>.</p> <p>VII. A donation to a related party or a major donation to a non-related party. Provided that a public-interest donation of disaster relief for a major natural disaster may be</p>	<p>Article 12</p> <p>The following matters shall be proposed to the Company's Board meeting for discussion:</p> <p>I~V (Omitted)</p> <p>VI. <u>If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.</u></p> <p>VII. Appointment or dismissal of financial, accounting or internal audit officer.</p> <p>VIII. A donation to a related party or a major donation to a non-related party. Provided that a public-interest donation of disaster relief for a major natural disaster may be</p>	<p>Amended in accordance with Article 7 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” issued by the Financial Supervisory Commission on August 5, 2022, that was promulgated and revised by the Jin-Guan-Zheng-Fa-Zi</p>

Current Provisions	Proposed Amendments	Description
<p>submitted to the following board of directors meeting for retroactive recognition.</p> <p>VIII. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>(Omitted)</p>	<p>submitted to the following board of directors meeting for retroactive recognition.</p> <p>IX. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>(Omitted)</p>	<p>No. 1110383263.</p>
<p>Article 18</p> <p>These Rules of Procedure shall be adopted by the approval of meeting of</p>	<p>Article 18</p> <p>These Rules of Procedure shall be adopted by the approval of meeting of</p>	<p>Amended in accordance with the "Regulations</p>

Current Provisions	Proposed Amendments	Description
the board of directors and <u>shall be reported to the shareholders meeting.</u>	the board of directors.	Governing Procedure for Board of Directors Meetings of Public Companies".
Article 19 The amendment was made on August 5, 2022.	Article 19 The Regulations was previous amended on on August 5, 2022. <u>The amendment is made on November 9, 2022.</u>	Amendments and the effective date are included now.

Attachments V

Kindom Development Corp.

Comparison Table of Amended Articles for Ethical Corporate Management Best Practice Principles

Current Provisions	Proposed Amendments	Description
<p>Article 3-1</p> <p>I: Omitted.</p> <p>It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:</p> <p>I. Handling matters relating to board meetings and shareholders meetings according to laws.</p> <p>II. Producing minutes of board meetings and shareholders meetings.</p> <p>III. Assisting in onboarding and continuous development of directors</p> <p>IV. Furnishing information required for business execution by directors</p> <p>V. Assisting directors with legal compliance.</p> <p>VI. Other matters set out in the Articles of Incorporation or contracts</p> <p>.</p>	<p>Article 3-1</p> <p>I: Omitted.</p> <p>It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:</p> <p>I. Handling matters relating to board meetings and shareholders meetings according to laws</p> <p>II. Producing minutes of board meetings and shareholders meetings.</p> <p>III. Assisting in onboarding and continuous development of directors</p> <p>IV. Furnishing information required for business execution by directors</p> <p>V. Assisting directors with legal compliance.</p> <p>VI. <u>Report to the board of directors the results of its review on whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their tenure.</u></p> <p>VII. <u>Handle matters related to the change of directors.</u></p> <p>VIII. Other matters set out in the Articles of Incorporation or contracts.</p>	<p>1. The amendment was made in accordance with the Letter Tai Cheng Chih Li Tzu No. 1110024366 issued by Taiwan Stock Exchange Corporation on December 23, 2022.</p> <p>2. In accordance with the Corporate Governance 3.0 - Sustainable Development Blueprint, the results of the consultation with external parties will be incorporated into the corporate governance function with respect to the qualifications of independent directors (including independent</p>

Current Provisions	Proposed Amendments	Description
		<p>director candidates and incumbent independent directors). In addition, in order to strengthen the function of corporate governance directors, the handling of changes in directors is incorporated into the supervisory function of corporate governance (including, but not limited to, matters to be done in accordance with the provisions of Article 27, paragraph 3 of the Company Act upon receipt of a notice of resignation or reassignment of a director by the head of corporate governance) The subparagraphs 6 and 7 are added respectively.</p>

Current Provisions	Proposed Amendments	Description
<p>Section 3 Corporate Governance Relationships between the Company and Affiliated Enterprises</p>	<p>Section 3 Corporate Governance Relationships between the Company and Affiliated Persons</p>	<p>The amendment was made in accordance with the Letter Tai Cheng Chih Li Tzu No. 1110024366 issued by Taiwan Stock Exchange Corporation on December 23, 2022.</p>
<p>Article 17 Where the Company and its affiliated <u>enterprises</u> enter into inter-company business transactions, a written agreement governing respect of the relevant financial and business operations between each other shall be made in accordance with the principle of fair dealing and reasonableness. Both parties shall definitively stipulate the terms and conditions of the price and payment terms mechanism, and desist from any transactions that are other than at arms' length. <u>All transactions or contracts made by and between the Company and its affiliated persons and shareholders shall follow the principles set forth in the preceding sub-paragraph and tunneling of profits in strictly prohibited.</u></p>	<p>Article 17 Where the Company and its affiliated <u>persons and shareholders</u> enter into <u>financial</u> transactions or <u>deals</u>, a written agreement governing respect of the relevant financial and business operations between each other shall be made in accordance with the principle of fair dealing and reasonableness. Both parties shall definitively stipulate the terms and conditions of the price and payment terms mechanism, desist from any transactions that are other than at arms' length, and any <u>improper channeling of profits</u> is strictly prohibited. <u>The written regulations in the preceding paragraph shall include procedures for the management of transactions such as purchase and sale transactions, acquisition or disposal of assets, lending of funds and endorsement of guarantees, and the relevant material transactions shall be approved by a resolution of the board of directors and approved or reported to the shareholders' meeting.</u></p>	<p>1. Paragraph 1 amended The current provisions only regulate the exchanges between the company and its affiliated enterprises, and written regulations should be established. In order to strengthen the company's management of related party transactions, the company should also formulate written regulations for the transactions between the company and related parties</p>

Current Provisions	Proposed Amendments	Description
		<p>and shareholders, and the scope of related parties includes affiliated enterprises. Therefore the current existing paragraph 2 is moved to paragraph 1 and textual amendments are made as appropriate.</p> <p>2. Paragraph 2 is added to clarify that the written regulations in the preceding paragraph shall include procedures for the management of transactions, and the relevant material transactions shall be approved by a resolution of the board of directors and approved or reported to the shareholders' meeting.</p>
<p>Article 29 Paragraph 1~4: Omitted.</p>	<p>Article 29 Paragraph 1~4: Omitted.</p>	<p>In order to improve the transparency of</p>

Current Provisions	Proposed Amendments	Description
<p>The Company shall evaluate the independence and suitability of the CPA engaged by the company regularly (no less frequently than once annually). In the event that the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.</p>	<p>The Company shall evaluate the independence and suitability of the CPA engaged by the company regularly <u>in reference to Audit Quality Indicators (AQIs)</u> (no less frequently than once annually). In the event that the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.</p>	<p>audit quality, "Corporate Governance 3.0- Sustainable Development Blueprint" promotes audit quality indicators (AQIs) and encourages the audit committees of listed companies to refer to the AQI information provided by the accounting firm when evaluating the replacement of accounting firms.</p>
<p>Article 52 This amendment was made on March 25, 2022.</p>	<p>Article 52 This amendment is made on March 14, 2023.</p>	<p>The date of this amendment shall be added.</p>

Attachments VI

Kindom Development Corp.

Comparison Table of Amended Articles for Code of Practice Principles for Sustainable Development

Current Provisions	Proposed Amendments	Description
<p>Article 27-1 This article is added.</p>	<p>Article 27-1 <u>The Company may continue to devote resources to cultural and arts activities or cultural and creative industries through donations, sponsorships, investments, acquisitions, strategic partnerships, corporate volunteer technical services, or other modes of support to promote cultural development.</u></p>	<p>In order to encourage corporate support for arts and cultural activities and to promote sustainable cultural development, it is proposed that The update was made in accordance with the Letter Tai Cheng Chih Li Tzu No. 1110024366 issued by Taiwan Stock Exchange Corporation on December 23, 2022.</p>
<p>Article 32 This amendment was made on March 25, 2022.</p>	<p>Article 32 This amendment is made on March 14, 2023.</p>	<p>The date of this amendment shall be added.</p>

Attachments VII

Statement of Declaration

The entities that are required to be included in the consolidated financial statements of Kindom Development Co., Ltd. as of and for the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Kindom Development Co., Ltd. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Hereby declared,

Kindom Development Co., Ltd.

Chairman: Chih-Kang, Ma

Date: March 14, 2023

Independent Auditors' Report

To the Board of Directors of Kindom Development Co., Ltd.:

Opinion

We have audited the Consolidated Balance Sheets of Kindom Development Co., Ltd., and its subsidiaries as of December 31, 2022, and 2021, as well as the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to Consolidated Financial Statements (including Summary of Significant Accounting Policies) for the annual period from January 1 to December 31, 2022, and 2021.

In our opinion, the aforementioned Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022, and 2021, and its consolidated financial performance and consolidated cash flows for the annual periods ended December 31, 2022, and 2021 in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and effected by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audit in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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 2022 consolidated financial statements of the Group. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, key audit matters for the Company's Parent Company Only Financial Statements for the year ended December 31, 2019 are stated as follows:

1. Revenue recognition of real estate sales

Refer to Note 4(17) for the accounting policies on recognizing revenue and Note 6(22) for details of related disclosure.

Description of key audit matters:

The Group engaged primarily in the sales and development of real estate. Real estate sales are easily subject to changes in overall economic conditions, tax reforms, market demands of properties and lands, and other factors. In response to the aforementioned changes, the governing authority has established relevant controls over revenue recognition and installment payments. The revenue of real estate sales amounts to NT\$7,498,364 thousand in 2022, which is material to the fair presentation of consolidated financial statements. Consequently, the Group's revenue recognition has been identified as one of the key audit matters.

Our audit procedures performed in respect of the above area included the following:

In relation to the key audit matter above, we have performed certain audit procedures including, among others, understanding the design and effectiveness of the Group's internal controls over the recognition of revenue and the accrual of receivables; performing sample testing to inspect the real estate sales contracts, tables of the receivables, bank transactions, transfers of property rights, closing checklists and others. In addition, it also includes performing sample testing on sales transactions taking place before and after the balance sheet date as well as confirming relevant transaction records and documentations to ensure that revenue was fairly presented in the appropriate period.

2. Construction contracts

Refer to Note 4(17) for the accounting policies on construction contracts; Note 5(1) for the uncertainty of accounting estimations and assumptions for total construction costs; and Note 6(22) for details of revenue recognition of customer contracts.

Description of key audit matters:

The evaluation of total costs and changes in the estimated total costs of a construction contract requires the Group's management judgments to a great extent. Errors in the evaluation of construction costs may cause significant changes to the profit and loss for the reporting period and therefore are a source of audit risk. The Group applies the percentage of completion accounting method to accounts for revenue and costs of a contract, and the percentage of completion is based on the percentage of construction projects completed as of the end of the reporting period out of the total estimated construction costs of the contract. The errors mentioned above may cause significant misrepresentation in the timing and the valuation of profit or loss of a contract for the year.

Our audit procedures performed in respect of the above area included the following:

In relation to the key audit matter above, we have performed certain audit procedures including, among others, testing the design and effectiveness of the Group's internal controls over the outsourcing of construction projects and the accrual of receivables; obtaining the tables containing all details of changes in the total construction costs; performing sample testing to confirm construction contracts, agreements, and external documentations of communications with property purchasers and meeting minutes with construction crew; performing sample testing on construction bills and payments from closed property purchasers in each periods; performing sample testing to evaluate the management's budgeting procedures of a construction and to test effectiveness of the implementation of the Group's internal controls; performing sample testing to confirm the external documentations of construction bills, contracts, daily reports, receipts, and budgets and comparing these documents with original construction budgets to verify the fair presentation and correct classifications of construction costs; performing sample testing on the pricing of building materials in each periods and recalculating the percentage of completion; and performing sample testing to evaluate the cutoff of construction projects taking place before and after the balance sheet date.

3. Inventory valuation

Refer to Note 4(8) for the accounting policies on inventory valuation, Note 5(2) for the uncertainty of accounting estimations and assumptions for inventory valuation, and Note 6(5) for details of inventory valuation.

Description of key audit matters:

As of December 31, 2022, the Group's inventory amounts to NT\$21,094,871 thousand and accounts for 38% of total assets. The cost or net realizable value is presented as the inventory amount, whichever is the lowest. that is the price of real estate market with highly subject to large capital investment and long payback period and greatly subject to political, overall economic conditions, and real estate tax reforms. The future investment costs for land held for construction and construction in progress and the Company's net realizable value depends on the subjective judgment or estimation of the management. Therefore, inventory evaluation of land held for construction and construction in progress is one of the important evaluation items in the accountant's auditing on the financial review of the Group.

Our audit procedures performed in respect of the above area included the following:

In relation to the key audit matter above, we have performed certain audit procedures including understanding the Group's internal procedures and accounting processes over land held for construction and construction in progress, and obtaining the net realizable value of the Company's land held for construction and construction in progress as of the end of the reporting period; inspecting and comparing the market price in the content mentioned above with the sales prices of the transactions in the neighborhood, registered sales prices of real estate published by contract prices of recent sales of the Company's developments, or the registered price with the Ministry of the Interior, or confirming and recalculating the investment return analysis of each developments, to evaluate if the net realizable value of land held for construction and construction in progress is fairly presented.

Other Matters

Kindom Development Co., Ltd. has compiled the Parent-Company-Only Financial Statements for 2022 and 2021, and they have also received an unqualified audit opinion from our CPAs for your reference.

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

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the FSC of the Republic of China. The management has determined that such internal control is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determined the key audit matters of the consolidated financial statements of the Group of 2022. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

CPA:

Securities Competent Authority Approval No. Jin-Guan-Zheng-Shen-Zi No. 1090332798
March 14, 2023 Jin-Guan-Zheng-Liu-Zi No. 0940129108

Notices to Readers

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

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

KINDOM DEVELOPMENT CO., LTD. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2022, and 2021

Expressed in thousands of New Taiwan Dollars

Assets		2022.12.31		2021.12.31		Liabilities and Equity		2022.12.31		2021.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(1) and (25))	\$ 15,522,920	28	16,080,562	30	2100	Short-term loans (Note 6(13) and (25))	\$ 15,025,856	27	14,479,725	27
1110	Financial assets measured at fair value through profit or loss - current (Note 6(2) and (25))	97,466	-	124,600	-	2130	Contract liabilities - current (Note 6(22))	2,045,805	4	1,608,656	3
1140	Contract assets - current (Note 6(22))	1,675,939	3	1,975,776	4	2150	Notes payable (Note 6(25))	392,662	1	327,149	1
1170	Note receivable and net accounts (Note 6(4), (22), (25))	2,149,847	4	1,253,113	2	2170	Accounts payable (Note 6(25))	5,955,906	11	5,729,916	11
1220	Current tax assets	48	-	28	-	2200	Other payables (Note 6(25) and 7)	908,607	2	954,084	2
1300	Inventories - trading (Note 6(5))	12,977	-	9,789	-	2230	Current tax liabilities	652,771	1	693,349	1
1320	Inventories - construction (Notes 6(5) & 8)	21,094,871	38	21,231,255	40	2250	Current provisions (Note 6(16))	183,236	-	181,626	-
1410	Prepayments	199,044	-	124,164	-	2251	Current provisions for employee benefit (Note 6(18))	20,174	-	21,907	-
1476	Other financial assets - current (Notes 6(12), (22), (25), and 8)	3,675,772	7	2,303,584	4	2280	Current lease liabilities (Note 6(15) and (25))	191,062	-	181,149	-
1479	Other current assets - others	80,582	-	70,039	-	2321	Current portion of convertible corporate bond due within one year or one operating period (Note 6(14) and (25))	2,000,000	3	-	-
1480	Incremental costs of obtaining a contract - current (Note 6(12))	9,978	-	50,897	-	2322	Current portion of long-term loans due within one year or one operating period (Note 6(13) and (25))	204,640	-	283,680	1
		<u>44,519,444</u>	<u>80</u>	<u>43,223,807</u>	<u>80</u>	2399	Other current liabilities- others (Note 6(25))	40,786	-	83,621	-
								<u>27,621,505</u>	<u>49</u>	<u>24,544,862</u>	<u>46</u>
Non-current assets:						Non-current liabilities:					
1517	Financial assets measured at fair value through other gain or loss - non-current (Note 6(3) and (25))	12,509	-	12,464	-	2530	Corporate bonds payable (Note 6(14) and (25))	2,000,000	3	4,000,000	7
1550	Investments accounted for using the equity method (Note 6(6))	1,136,118	2	15,120	-	2540	Long-term loans (Note 6(13) and (25))	1,438,200	3	1,833,560	3
1600	Property, plant and equipment (Note 6(8) and 8)	6,379,227	11	6,503,236	13	2573	Deferred tax liabilities— Others (Note 6(19))	921	-	-	-
1755	Right-of-use assets (Note 6(9))	3,098,436	6	3,336,729	6	2580	Non-current lease liabilities (Note 6(15) and (25))	3,123,422	6	3,340,967	6
1760	Investment property (Note 6(10) and 8)	462,365	1	501,662	1	2640	Defined benefit liabilities, net - non-current (Note 6(18))	821	-	2,935	-
1780	Intangible assets (Note 6(11))	53,874	-	54,404	-	2645	Refundable deposits (Note 6(25))	96,204	-	97,814	-
1840	Deferred tax assets (Note 6(19))	57,161	-	66,996	-	2670	Other non-current liabilities- others (Note 6(25))	16,336	-	32,672	-
1975	Defined benefit assets, net - non-current	5,820	-	2,438	-			<u>6,675,904</u>	<u>12</u>	<u>9,307,948</u>	<u>16</u>
1980	Other non-current financial assets (Note 6(25) and 8)	73,566	-	79,142	-			<u>34,297,409</u>	<u>61</u>	<u>33,852,810</u>	<u>62</u>
1995	Other non-current assets - others	64,337	-	52,445	-	Total liabilities					
		<u>11,343,413</u>	<u>20</u>	<u>10,624,636</u>	<u>20</u>	Equity attributable to owners of the parent company (Note 6(20))					
						3100	Share capital	5,541,701	10	5,541,701	10
						3200	Capital reserve	1,451,569	3	1,421,924	3
						3300	Retained earnings	11,648,455	20	10,697,059	20
						3400	Other equity interest	(26,544)	-	(26,727)	-
						3500	Treasury stock	(98,702)	-	(71,196)	-
							Total equity attributable to owners of the parent company	<u>18,516,479</u>	<u>33</u>	<u>17,562,761</u>	<u>33</u>
						36XX	Non-controlling interests (Note 6(7))	3,048,969	6	2,432,872	5
							Total equity	<u>21,565,448</u>	<u>39</u>	<u>19,995,633</u>	<u>38</u>
Total assets		<u>\$ 55,862,857</u>	<u>100</u>	<u>53,848,443</u>	<u>100</u>		Total liabilities and equity	<u>\$ 55,862,857</u>	<u>100</u>	<u>53,848,443</u>	<u>100</u>

(Refer to the subsequent Notes to the Consolidated Financial Statements)

Chairman: Chih-Kang, Ma

General Manager: Chang-Jung, Hsieh Sheng-An, Chang

Chief Accounting Officer: Shu-Lien, Chang

KINDOM DEVELOPMENT CO., LTD. and Subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2022, and 2021

Unit: NT\$ thousand

		2022		2021	
		Amount	%	Amount	%
4000	Operating income (Note 6 (17) and (22))	\$ 21,506,102	100	25,191,138	100
5000	Operating costs (Note 6(5) and(18))	15,582,332	72	18,173,783	72
	Gross profit	5,923,770	28	7,017,355	28
	Operating expenses:				
6100	Selling and marketing expenses (Note 6(18))	219,758	1	255,126	1
6200	General and administrative expenses (Note 6(18))	1,677,024	8	1,584,947	6
6450	Expected credit (gain) loss (Note 6(4))	(1,396)	-	12,885	-
		1,895,386	9	1,852,958	7
	Net operating income	4,028,384	19	5,164,397	21
	Non-operating income and expenses:				
7100	Interest income (Note 6(24))	71,821	-	25,436	-
7010	Other income (Note 6(24))	7,330	-	4,763	-
7020	Other gains and losses (Note 6(24))	34,244	-	104,594	-
7050	Financial cost (Note 6(24))	(302,865)	(1)	(315,117)	(1)
7060	Share of profit and loss of associates and joint ventures accounted for using the equity method (Note 6(6))	998	-	(5,387)	-
		(188,472)	(1)	(185,711)	(1)
	Profit before tax from continuing operating department	3,839,912	18	4,978,686	20
7950	Less: Income tax expenses (Note 6(19))	710,215	3	901,353	4
	Net income	3,129,697	15	4,077,333	16
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurements of defined benefit plans	4,792	-	(2,128)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	45	-	2,784	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of financial statements of foreign operations	189	-	(1,347)	-
8300	Other comprehensive income (loss)(net of taxes)	5,026	-	(691)	-
	Total comprehensive income for the year	\$ 3,134,723	15	4,076,642	16
	Net profit attributable to:				
8610	Owners of the parent company	\$ 2,333,896	11	3,508,103	14
8620	Non-controlling interests	795,801	4	569,230	2
		\$ 3,129,697	15	4,077,333	16
	Total comprehensive income attributable to:				
8710	Owners of the parent company	\$ 2,337,004	11	3,508,131	14
8720	Non-controlling interests	797,719	4	568,511	2
		\$ 3,134,723	15	4,076,642	16
9750	Basic earnings per share (in NT\$) (Note 6(21))	\$ 4.31		6.47	
9850	Diluted earnings per share (in NT\$) (Note 6(21))	\$ 4.29		6.44	

(Refer to the subsequent Notes to the Consolidated Financial Statements)

Chairman: Chih-Kang, Ma General Manager: Chang-Jung, Hsieh
Sheng-An, Chang

Chief Accounting Officer:
Shu-Lien, Chang

KINDOM DEVELOPMENT CO., LTD. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2022, and 2021

Expressed in thousands of New Taiwan Dollars

	Equity attributable to owners of parent						Other equity		Treasury stock	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
	Share capital	Retained earnings					Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income				
	Share capital of common stocks	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Total						
Balance as of January 1, 2021	\$ 5,037,910	1,396,097	1,816,778	25,804	7,060,355	8,902,937	(28,521)	674	(71,196)	15,237,901	2,127,656	17,365,557
Net income	-	-	-	-	3,508,103	3,508,103	-	-	-	3,508,103	569,230	4,077,333
Other comprehensive income for the period	-	-	-	-	(1,092)	(1,092)	(1,131)	2,251	-	28	(719)	(691)
Total comprehensive income for the year	-	-	-	-	3,507,011	3,507,011	(1,131)	2,251	-	3,508,131	568,511	4,076,642
Appropriation of earnings:												
Legal reserve appropriated	-	-	335,191	-	(335,191)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	2,043	(2,043)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,209,098)	(1,209,098)	-	-	-	(1,209,098)	-	(1,209,098)
Share dividends of common stocks	503,791	-	-	-	(503,791)	(503,791)	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for under the equity method	-	37	-	-	-	-	-	-	-	37	-	37
Changes in capital reserve from dividends paid to subsidiaries	-	25,501	-	-	-	-	-	-	-	25,501	-	25,501
Unclaimed dividends after effective period	-	289	-	-	-	-	-	-	-	289	71	360
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(263,366)	(263,366)
Balance as of December 31, 2021	5,541,701	1,421,924	2,151,969	27,847	8,517,243	10,697,059	(29,652)	2,925	(71,196)	17,562,761	2,432,872	19,995,633
Net income	-	-	-	-	2,333,896	2,333,896	-	-	-	2,333,896	795,801	3,129,697
Other comprehensive income for the period	-	-	-	-	2,925	2,925	159	24	-	3,108	1,918	5,026
Total comprehensive income for the year	-	-	-	-	2,336,821	2,336,821	159	24	-	2,337,004	797,719	3,134,723
Appropriation of earnings:												
Legal reserve appropriated	-	-	350,701	-	(350,701)	-	-	-	-	-	-	-
Special reserve reversed	-	-	-	(1,120)	1,120	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,385,425)	(1,385,425)	-	-	-	(1,385,425)	-	(1,385,425)
Changes in equity of associates and joint ventures accounted for under the equity method	-	(216)	-	-	-	-	-	-	-	(216)	(333)	(549)
Buyback treasury stock	-	-	-	-	-	-	-	-	(27,506)	(27,506)	-	(27,506)
Changes in capital reserve from dividends paid to subsidiaries	-	29,227	-	-	-	-	-	-	-	29,227	-	29,227
Unclaimed dividends after effective period	-	634	-	-	-	-	-	-	-	634	93	727
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(181,382)	(181,382)
Balance as of December 31, 2022	\$ 5,541,701	1,451,569	2,502,670	26,727	9,119,058	11,648,455	(29,493)	2,949	(98,702)	18,516,479	3,048,969	21,565,448

(Refer to the subsequent Notes to the Consolidated Financial Statements)

Chairman: Chih-Kang, Ma

General Manager: Chang-Jung, Hsieh Sheng-An, Chang

Chief Accounting Officer: Shu-Lien, Chang

KINDOM DEVELOPMENT CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2022, and 2021

Unit: NT\$ thousand

	2022	2021
Cash flows from operating activities:		
Income before income tax	\$ 3,839,912	4,978,686
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation	416,556	424,270
Amortization	10,690	9,779
Expected credit losses (reversal)	(1,396)	12,885
Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	27,134	(53,805)
Interest expenses	302,865	315,117
Interest income	(71,821)	(25,436)
Dividend income	(7,330)	(4,763)
Share of (gains) loss of associates and joint ventures accounted for using equity method	(998)	5,387
Gains on disposal of property, plant and equipment	-	(28)
Impairment loss	300	24,618
Gains from lease modifications	-	(58)
Total adjustments to reconcile profit (loss)	676,000	707,966
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in financial assets at fair value through profit or loss	-	(3,134)
Decrease (increase) in contract assets	299,837	(304,209)
(Increase) decrease in note receivable and accounts	(895,338)	974,346
Decrease in inventory	280,504	7,185,817
Decrease (increase) in prepayments	(75,666)	30,767
Increase in other current assets	(10,543)	(8,554)
Increase in other financial assets - current	(1,367,885)	(41,812)
Decrease in the incremental costs to obtain contract with customers	40,919	70,141
Decrease (increase) in defined benefit assets - non-current	(3,382)	962
Increase in other non-current assets	(41)	(48)
Total changes in operating assets	(1,731,595)	7,904,276
Total changes in operating liabilities:		
Increase (decrease) in contract liabilities	437,149	(3,976,991)
Increase (decrease) in notes payable	65,513	(62,722)
Increase in accounts payable	226,436	523,216
Increase (decrease) in other payables	44,439	(209,783)
Decrease in employee benefit liabilities - current	(1,733)	(371)
Increase in provisions - current	1,610	31,263
Increase (decrease) in other current liabilities	(42,835)	14,641
Increase (decrease) in net defined benefit liabilities	2,678	(5,172)
Decrease in other non-current liabilities	(16,336)	(16,336)
Total changes in operating liabilities	716,921	(3,702,255)
Total changes in operating assets and liabilities	(1,014,674)	4,202,021
Total adjustments	(338,674)	4,909,987
Cash flows generated from operations	3,501,238	9,888,673
Income taxes paid	(740,057)	(851,421)
Net cash flows from operating activities	2,761,181	9,037,252

KINDOM DEVELOPMENT CO., LTD. and Subsidiaries
Consolidated Statements of Cash Flows (continued)
January 1 to December 31, 2022, and 2021

Unit: NT\$ thousand

	2022	2021
Cash flows from investing activities:		
Obtained financial assets at fair value through other comprehensive income	-	(1,941)
Payment returned on capital reduction of financial assets at fair value through other comprehensive income	-	992
Obtained investments accounted for using equity method	(1,120,000)	-
Acquisition of property, plant, and equipment	(135,490)	(108,747)
Disposal of property, plant and equipment	-	76
Acquisition of intangible assets	(10,070)	(14,488)
Increase in prepayments for business facilities	5,576	53,138
Increase in other non-current assets	(11,851)	(187)
Interest received	67,518	25,779
Dividends received	7,330	4,763
Others investment activities	(549)	-
Net cash flows used in investing activities	(1,197,536)	(40,615)
Cash flows from financing activities:		
Increase in short-term loans	5,087,369	4,671,600
Decrease in short-term loans	(4,541,238)	(5,293,226)
Increase in short-term notes and bills payable	110,000	480,000
Decrease in short-term notes and bills payable	(110,000)	(480,000)
Redemption of convertible corporate bonds	-	(1,500,000)
Proceeds from long-term debt	5,000	200,000
Repayments of long-term loans	(479,400)	(457,760)
Increase in guarantee deposits received	(1,610)	3,395
Repayments of lease principal	(177,345)	(158,485)
Cash dividends distributed	(1,356,198)	(1,183,597)
Cost of buying back treasury stocks	(27,506)	-
Interest paid	(449,166)	(444,038)
Changes in non-controlling interests	(181,382)	(263,366)
Net cash flows used in financing activities	(2,121,476)	(4,425,477)
Effects of exchange rate changes on the balance of cash and cash equivalents	189	(1,347)
Net increase (decrease) in cash and cash equivalents	(557,642)	4,569,813
Cash and cash equivalents at beginning of the period	16,080,562	11,510,749
Cash and cash equivalents at end of the period	\$ 15,522,920	16,080,562

(Refer to the subsequent Notes to the Consolidated Financial Statements)

Chairman: Chih-Kang, Ma

General Manager: Chang-Jung, Hsieh

Chief Accounting Officer: Shu-

Sheng-An, Chang

Lien, Chang

Independent Auditors' Report

To the Board of Directors of Kindom Development Co., Ltd.:

Audit Opinion

We have audited the parent company only Balance Sheets of Kindom Development Co., Ltd. as of December 31, 2022, and 2021, the Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows, and Notes to Parent Company Only Financial Statements (including Summary of Significant Accounting Policies) for the annual periods from January 1 to December 31, 2022, and 2021.

In our opinion, the aforementioned Parent Company Only Financial Statements present fairly, in all material respects, the financial position of Kindom Development Co., Ltd. as of December 31, 2022, and 2021, and its financial performance and cash flows for the annual periods ended December 31, 2022, and 2021, in conformity with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”

Basis for Opinion

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

Key Audit Matters

Key audit key matters refer to those most material key matters for the audit on the Parent Company Only Financial Statements of the year 2022 of Kindom Development Co., Ltd., based on the professional judgment of the accountant. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, key audit matters for the Company's Parent Company Only Financial Statements for the year ended December 31, 2019 are stated as follows:

1. Revenue recognition

Refer to Note 4(15) for the accounting policies on recognizing revenue and Note 6(20) for details of related disclosure.

Description of key audit matters:

Kindom Development Co., Ltd. engages primarily in the sales and development of real estate. Real estate sales are easily subject to changes in overall economic conditions, tax reforms, market demands of properties and lands, and other factors. In response to the aforementioned changes, the governing authority has established relevant controls over revenue recognition and installment payments. The revenue from real estate sales amounts to 98% of the company's total revenue in 2022, which is material to the fair presentation of Parent Company Only Financial Statements. Consequently, the Kindom Development Co., Ltd.'s revenue recognition has been identified as one of the key audit matters.

Our audit procedures performed in respect of the above area included the following:

In relation to the key audit matter above, we have performed certain audit procedures including, among others, understanding the design and effectiveness of the Company's internal controls over the recognition of revenue and the accrual of receivables; performing sample testing to inspect the real estate sales contracts, tables of the receivables, bank transactions, transfers of property rights, closing checklists and others. In addition, it also includes performing sample testing on sales transactions taking place before and after the balance sheet date as well as confirming relevant transaction records and documentations to ensure that revenue was fairly presented in the appropriate period.

2. Inventory valuation

Refer to Note 4(7) for the accounting policies on inventory valuation, Note 5 for the uncertainty of accounting estimations and assumptions for inventory valuation, and Note 6(5) for details of inventory valuation.

Description of key audit matters:

As of December 31, 2022, Kindom Development Co., Ltd.'s inventory amounts to NT\$21,099,622 thousand and accounts for 54% of total assets. The cost or net realizable value is presented as the inventory amount, whichever is the lowest. that is the price of real estate market with highly subject to large capital investment and long payback period and greatly subject to political, overall economic conditions, and real estate tax reforms. The uncertainty of future investment costs for land held for construction and construction in progress, the Company's net realizable value depends on the subjective judgment or estimation of the management. Therefore, inventory evaluation of land held for construction and construction in progress is one of the important evaluation items in the accountant's auditing on the financial review of the Kindom Development Co., Ltd.

Our audit procedures performed in respect of the above area included the following:

In relation to the key audit matter above, we have performed certain audit procedures including understanding the Kindom Development Co., Ltd.'s internal procedures and accounting processes over land held for construction and construction in progress, and obtaining the net realizable value of the Company's land held for construction and construction in progress as of the end of the reporting period; inspecting and comparing the market price in the content mentioned above with the sales prices of the transactions in the neighborhood, registered sales prices of real estate published by contract prices of recent sales of the Company's developments, or the registered price with the Ministry of the Interior, or confirming and recalculating the investment return analysis of each developments, to evaluate if the net realizable value of land held for construction and construction in progress is fairly presented.

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

The 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, the management is responsible for assessing the Kindom Development Co., Ltd.'s ability to continue as a going concern, disclose matters related to going concern, and use the going concern basis of accounting unless the 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.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent Company Only Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements may be caused by fraud or errors. The misstated amounts are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Parent Company Only Financial Statements.

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

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

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

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

From the matters communicated with those charged with governance, we determined the key audit matters of the Parent Company Only Financial Statements of Kindom Development Co., Ltd. for 2022. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

CPA:

Securities Competent Authority Approval No. : Jin-Guan-Zheng-Shen-Zi No. 1090332798
Jin-Guan-Zheng-Liu-Zi No. 0940129108
March 14, 2023

Notices to Readers

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

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

Kindom Development Co., Ltd.
Parent Company Only Balance Sheets
As of December 31, 2022, and 2021

Expressed in thousands of New Taiwan Dollars

Assets		2022.12.31		2021.12.31		Liabilities and Equity		2022.12.31		2021.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(1) and (23))	\$ 8,563,299	22	9,855,789	25	2100	Short-term loans (Note 6(12) and (23))	\$ 14,540,856	38	14,279,725	37
1110	Financial assets measured at fair value through profit or loss - current (Note 6(2) and (23))	33,995	-	43,878	-	2130	Contract liabilities - current (Note 6(20))	408,379	1	1,055,713	3
1141	Contract assets - current (Note 6(20))	50,864	-	39,235	-	2150	Notes payable (Note 6(23))	49,304	-	43,258	-
1170	Net accounts receivable (Note 6(4), (20), (23), and 7)	117,096	-	120,179	-	2160	Notes payable - related parties (Note 6(23) and 7)	155,777	-	176,942	-
1320	Inventories - construction (Notes 6(5) & 8)	21,099,622	54	21,328,692	56	2170	Accounts payable (Note 6(23))	393,731	1	536,877	1
1410	Prepayments	46,973	-	28,786	-	2181	Accounts receivables - related parties (Note 6 (23) and 7)	464,346	2	659,813	2
1476	Other financial assets - current (Notes 6(11), (20), (23), and 8)	1,629,826	5	1,565,806	4	2200	Other payables (Note 6(23))	150,838	-	225,469	1
1479	Other current assets - others	22,520	-	18,020	-	2230	Current tax liabilities	347,513	1	428,952	1
1480	Incremental costs of obtaining a contract - current (Note 6(11))	9,978	-	50,897	-	2251	Employee benefit liability reserve - non-current (Note 6(16))	3,141	-	2,884	-
		<u>31,574,173</u>	<u>81</u>	<u>33,051,282</u>	<u>85</u>	2280	Lease liabilities - current (Note 6(14) and (23))	5,142	-	3,344	-
						2321	Bonds Payable or Put Option Execution - Current Portion (Note 6(13) and (23))	2,000,000	5	-	-
Non-current assets:						2399	Other current liabilities - others	15,240	-	44,878	-
1517	Financial assets measured at fair value through other gain or loss - non-current (Note 6(3) and (23))	4,605	-	4,591	-			<u>18,534,267</u>	<u>48</u>	<u>17,457,855</u>	<u>45</u>
1550	Investments accounted for using the equity method (Note 6(6) and 8)	6,753,603	17	5,244,133	13	Non-current liabilities:					
1600	Property, plant and equipment (Notes 6(7) & 8)	283,330	1	283,095	1	2530	Corporate bonds payable (Note 6(13) and (23))	2,000,000	5	4,000,000	10
1755	Right-of-use assets (Note 6(8))	5,116	-	3,294	-	2640	Net Defined Benefit Liability - Non-current (Note 6(16))	821	-	2,935	-
1760	Investment-based real estate (Note 6(9), (15) and 8)	462,365	1	466,558	1	2645	Refundable deposits (Note 6(23))	4,742	-	1,042	-
1780	Intangible assets (Note 6(10))	-	-	474	-	2670	Other non-current liabilities - others	28,919	-	28,834	-
1915	Prepayments for equipment	2,036	-	-	-			<u>2,034,482</u>	<u>5</u>	<u>4,032,811</u>	<u>10</u>
		<u>7,511,055</u>	<u>19</u>	<u>6,002,145</u>	<u>15</u>	Total liabilities		<u>20,568,749</u>	<u>53</u>	<u>21,490,666</u>	<u>55</u>
						Equity (Note 6(18)):					
						3100	Share capital	5,541,701	14	5,541,701	14
						3200	Capital reserve	1,451,569	3	1,421,924	4
						3300	Retained earnings	11,648,455	30	10,697,059	27
						3400	Other equity interest	(26,544)	-	(26,727)	-
						3500	Treasury stock	(98,702)	-	(71,196)	-
						Total equity		<u>18,516,479</u>	<u>47</u>	<u>17,562,761</u>	<u>45</u>
Total assets		<u>\$ 39,085,228</u>	<u>100</u>	<u>39,053,427</u>	<u>100</u>	Total liabilities and equity		<u>\$ 39,085,228</u>	<u>100</u>	<u>39,053,427</u>	<u>100</u>

(Refer to the subsequent Notes to Parent Company Only Financial Statements)

Chairman: Chih-Kang, Ma

General Manager: Chang-Jung, Hsieh Sheng-An, Chang

Chief Accounting Officer: Shu-Lien, Chang

Kindom Development Co., Ltd.
Parent Company Only Statements of Comprehensive Income
January 1 to December 31, 2022, and 2021

Unit: NT\$ thousand

		<u>2022</u>		<u>2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating income (Note 6 (15) and (20))	\$ 7,664,805	100	16,105,554	100
5000	Operating costs (Note 6(5))	4,910,864	64	11,536,161	72
	Gross profit	2,753,941	36	4,569,393	28
5920	Less: Realized profit or loss on sales	85	-	85	-
	Gross profit	<u>2,753,856</u>	<u>36</u>	<u>4,569,308</u>	<u>28</u>
	Operating costs (Notes 6(21) and 7):				
6100	Selling and marketing expenses	219,758	3	255,126	2
6200	General and administrative expenses	356,284	5	365,097	2
		<u>576,042</u>	<u>8</u>	<u>620,223</u>	<u>4</u>
	Net operating income	<u>2,177,814</u>	<u>28</u>	<u>3,949,085</u>	<u>24</u>
	Non-operating income and expenses:				
7100	Interest income (Note 6(22))	40,566	-	12,117	-
7010	Other income (Note 6(22))	3,245	-	1,680	-
7020	Other benefits and losses (Note 6(22) and 7)	(1,220)	-	31,575	-
7050	Financial cost (Note 6(22))	(207,558)	(3)	(214,898)	(1)
7070	Share of the profit of subsidiaries, associates, and joint ventures accounted for using the equity method	735,853	10	417,232	3
		<u>570,886</u>	<u>7</u>	<u>247,706</u>	<u>2</u>
	Profit before tax from continuing operating department	<u>2,748,700</u>	<u>35</u>	<u>4,196,791</u>	<u>26</u>
7950	Less: Income tax expense (Note 6(17))	414,804	5	688,688	4
	Net income	<u>2,333,896</u>	<u>30</u>	<u>3,508,103</u>	<u>22</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurements of defined benefit plans	1,956	-	(553)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	14	-	1,974	-
8330	Shares of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using equity method - components of other comprehensive income that will not be reclassified subsequently to profit or loss	979	-	(262)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8380	Shares of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using equity method - components of other comprehensive income that may be reclassified subsequently to profit or loss	159	-	(1,131)	-
8300	Other comprehensive income (loss)(net of taxes)	<u>3,108</u>	<u>-</u>	<u>28</u>	<u>-</u>
	Total comprehensive income for the year	<u>\$ 2,337,004</u>	<u>30</u>	<u>3,508,131</u>	<u>22</u>
	Earnings per share (Note 6(19))				
9750	Basic Earnings Per Share (NT\$)	<u>\$ 4.31</u>		<u>6.47</u>	
9850	Diluted Earnings Per Share (NT\$)	<u>\$ 4.29</u>		<u>6.44</u>	

(Refer to the subsequent Notes to Parent Company Only Financial Statements)

Chairman: Chih-Kang, Ma

General Manager: Chang-Jung, Hsieh

Chief Accounting Officer: Shu-

Sheng-An, Chang

Lien, Chang

Kindom Development Co., Ltd.
Parent Company Only Statements of Changes in Equity
January 1 to December 31, 2022, and 2021

Expressed in thousands of New Taiwan Dollars

	Share capital		Retained earnings				Other equity		Treasury stock	Total equity
	Share capital of common stocks	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		
Balance as of January 1, 2021	\$ 5,037,910	1,396,097	1,816,778	25,804	7,060,355	8,902,937	(28,521)	674	(71,196)	15,237,901
Net income	-	-	-	-	3,508,103	3,508,103	-	-	-	3,508,103
Other comprehensive income for the period	-	-	-	-	(1,092)	(1,092)	(1,131)	2,251	-	28
Total comprehensive income for the year	-	-	-	-	3,507,011	3,507,011	(1,131)	2,251	-	3,508,131
Appropriation of earnings:										
Legal reserve appropriated	-	-	335,191	-	(335,191)	-	-	-	-	-
Special reserve appropriated	-	-	-	2,043	(2,043)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,209,098)	(1,209,098)	-	-	-	(1,209,098)
Share dividends of common stocks	503,791	-	-	-	(503,791)	(503,791)	-	-	-	-
Changes in equity of associates and joint ventures accounted for under the equity method	-	37	-	-	-	-	-	-	-	37
Changes in capital reserve from dividends paid to subsidiaries	-	25,501	-	-	-	-	-	-	-	25,501
Unclaimed dividends after effective period	-	289	-	-	-	-	-	-	-	289
Balance as of December 31, 2021	5,541,701	1,421,924	2,151,969	27,847	8,517,243	10,697,059	(29,652)	2,925	(71,196)	17,562,761
Net income	-	-	-	-	2,333,896	2,333,896	-	-	-	2,333,896
Other comprehensive income for the period	-	-	-	-	2,925	2,925	159	24	-	3,108
Total comprehensive income for the year	-	-	-	-	2,336,821	2,336,821	159	24	-	2,337,004
Appropriation of earnings:										
Legal reserve appropriated	-	-	350,701	-	(350,701)	-	-	-	-	-
Special reserve reversed	-	-	-	(1,120)	1,120	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,385,425)	(1,385,425)	-	-	-	(1,385,425)
Changes in equity of associates and joint ventures accounted for under the equity method	-	(216)	-	-	-	-	-	-	-	(216)
Buyback treasury stock	-	-	-	-	-	-	-	-	(27,506)	(27,506)
Changes in capital reserve from dividends paid to subsidiaries	-	29,227	-	-	-	-	-	-	-	29,227
Unclaimed dividends after effective period	-	634	-	-	-	-	-	-	-	634
Balance as of December 31, 2022	\$ 5,541,701	1,451,569	2,502,670	26,727	9,119,058	11,648,455	(29,493)	2,949	(98,702)	18,516,479

(Refer to the subsequent Notes to Parent Company Only Financial Statements)

Chairman: Chih-Kang, Ma

General Manager: Chang-Jung, Hsieh Sheng-An, Chang

Chief Accounting Officer: Shu-Lien, Chang

Kindom Development Co., Ltd.
Parent Company Only Statements of Cash Flows
January 1 to December 31, 2022, and 2021

Unit: NT\$ thousand

	2022	2021
Cash flows from operating activities:		
Income before income tax	\$ 2,748,700	4,196,791
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation	19,811	18,102
Amortization	474	860
Net gain (loss) on financial assets and liabilities measured at fair value through profit or loss	9,883	(19,121)
Interest expenses	207,558	214,898
Interest income	(40,566)	(12,117)
Dividend income	(3,245)	(1,680)
Share of profit of subsidiaries, associates and joint ventures using equity method recognition	(735,853)	(417,232)
Total adjustments to reconcile profit (loss)	(541,938)	(216,290)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in contract assets	(11,629)	355,398
Decrease in notes receivable	-	355
Decrease in accounts receivable	3,083	1,111,875
Decrease in inventory	376,378	7,645,798
Decrease (increase) in prepayments	(18,187)	14,958
(Increase) decrease in other financial assets - current	(64,020)	429,587
(Increase) decrease in other current assets	(4,500)	4,179
Decrease in the incremental costs to obtain contract with customers	40,919	70,141
Total changes in operating assets	322,044	9,632,291
Total changes in operating liabilities:		
Decrease in contract liabilities	(647,334)	(3,208,355)
Increase (decrease) in notes payable	6,046	(11,367)
Decrease in notes payable - related parties	(21,165)	(942,654)
Decrease in accounts payable	(143,146)	(58,220)
Decrease in accounts payable to related parties	(195,467)	(129,221)
Decrease in other payables	(74,103)	(224,215)
Increase in provisions for employee benefit - current	257	35
Increase (decrease) in guarantee deposits received	3,700	(2,405)
Increase (decrease) in other current liabilities	(29,638)	1,824
Decrease in net defined benefit liability	(158)	(3,597)
Increase in other non-current liabilities	85	86
Total changes in operating liabilities	(1,100,923)	(4,578,089)
Total changes in operating assets and liabilities	(778,879)	5,054,202
Total adjustments	(1,320,817)	4,837,912
Cash flows generated from operations	1,427,883	9,034,703
Income taxes paid	(496,244)	(756,437)
Net cash flows from operating activities	931,639	8,278,266

Kindom Development Co., Ltd.
Parent Company Only Statements of Cash Flows (continued)
January 1 to December 31, 2022, and 2021

Unit: NT\$ thousand

	2022	2021
Cash flows from investing activities:		
Obtained investments accounted for using equity method	(1,020,000)	-
Disposal of investments accounted for using equity method	182,337	-
Obtained financial assets at fair value through other comprehensive income	-	(703)
Payment returned on capital reduction of financial assets at fair value through other comprehensive income	-	992
Obtained financial assets at fair value through profit or loss	-	(1,135)
Acquisition of property, plant, and equipment	(12,634)	(14,393)
Increase in prepayments for equipment	(2,459)	-
Interest received	40,566	12,117
Dividends received	97,489	232,607
Net Cash Generated from (Used in) Investing Activities	(714,701)	229,485
Cash flows from financing activities:		
Increase in short-term loans	4,092,369	4,176,600
Decrease in short-term loans	(3,831,238)	(4,838,226)
Increase in short-term notes and bills payable	60,000	220,000
Decrease in short-term notes and bills payable	(60,000)	(220,000)
Redemption of convertible corporate bonds	-	(1,500,000)
Cost of buying back treasury stocks	(27,506)	-
Repayments of lease principal	(2,820)	(2,472)
Cash dividends distributed	(1,385,425)	(1,209,098)
Interest paid	(354,808)	(347,082)
Net cash flows used in financing activities	(1,509,428)	(3,720,278)
Net increase (decrease) in cash and cash equivalents	(1,292,490)	4,787,473
Cash and cash equivalents at beginning of the period	9,855,789	5,068,316
Cash and cash equivalents at end of the period	\$ 8,563,299	9,855,789

(Refer to the subsequent Notes to Parent Company Only Financial Statements)

Chairman: Chih-Kang, Ma General Manager: Chang-Jung, Chief Accounting Officer:
Hsieh Sheng-An, Chang Shu-Lien, Chang

Attachments VIII

Kindom Development Corp.

Profit Distribution Table

2022

Unit: NT\$

Opening balance	\$6,782,237,000
Add: Net profit after tax	2,333,895,800
Add: Remeasurements of the net defined benefit liability	2,925,109
Less: The statutory surplus reserve	(233,682,091)
Add: Reversal of special reserve	<u>183,136</u>
Distributable earnings	8,885,558,954
Less: Distributable net profit	
Shareholders' dividends - NT\$ 1.75 per share in cash	<u>(969,797,675)</u>
Closing balance	\$7,915,761,279

Note: The shareholders' dividends shall be preferentially distributed from the earnings of the year 2022.

Chairman:
Chih-Kang, Ma

General Manager:
Chang-Rong, Hsieh
Sheng-An, Chang

Chief Accounting Officer:
Shu-Lien, Chang

Attachments IX

Kindom Development Corp.

Comparison between Original and Amendments to Rules Governing the Proceedings of Shareholder Meetings

Current Provisions	Proposed Amendments	Description
<p>Article 3</p> <p>I: Omitted.</p> <p>Number of shareholders in attendance shall be calculated based on the number of attending shareholders, which equals to the sum of the number of attendees shown on the sign-up sheet and the number of attendance cards.</p> <p>In the case that the corporate shareholders are appointed to attend a shareholders' meeting, only one person may represent and attend the meeting.</p> <p><u>Paragraphs 4~6: Added</u></p>	<p>Article 3</p> <p>I: Omitted.</p> <p>Number of shareholders in attendance shall be calculated based on the number of attending shareholders, which equals to the sum of the number of attendees shown on the sign-up sheet <u>in addition to the number of attendance cards, and the shares checked in on the virtual meeting platform.</u></p> <p>In the case that the corporate shareholders are appointed to attend a shareholders' meeting, only one person may represent and attend the meeting.</p> <p><u>When the company will convene a shareholders' meeting with video conferencing, if a shareholder intends to take part in the meeting by video conferencing, they shall register with the company by 2 days prior to the scheduled meeting date of the shareholders' meeting.</u></p> <p><u>In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p><u>When the Company convenes a video conference for shareholders, the total number of shares of shareholders present shall be disclosed on the video</u></p>	<p>In accordance with Article 2-2 of the Regulations Governing the Administration of Shareholder Services of Public Companies, video conferencing is added as a method to hold shareholders' meetings, and certain provisions of the company's "Rules of Procedures for Shareholders' Meetings" have been amended.</p>

Current Provisions	Proposed Amendments	Description
	<u>conference platform when the conference commences. The same shall apply if the total number of shares and voting rights of shareholders present are counted separately during the meeting.</u>	
<p>Article 4</p> <p>I: Omitted.</p> <p>II: <u>Added</u></p>	<p>Article 4</p> <p>I: Omitted.</p> <p><u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p>	
<p>Article 11</p> <p>Paragraph 1~4: Omitted</p> <p>V: <u>Added</u></p>	<p>Article 11</p> <p>Paragraph 1~4: Omitted</p> <p><u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in the preceding paragraphs do not apply.</u></p>	
<p>Article 14-1: <u>Add.</u></p>	<p>Article 14-1:</p> <p><u>When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting</u></p>	

Current Provisions	Proposed Amendments	Description
	<p><u>platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 3 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u></p>	
<p>Article 15</p> <p>I: Omitted.</p> <p>II: <u>Added</u></p>	<p>Article 15</p> <p>I: Omitted.</p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>	
<p><u>Article 17-1: Add.</u></p>	<p>Article 17-1:</p> <p><u>In the event of a virtual shareholders meeting, when declaring the meeting</u></p>	

Current Provisions	Proposed Amendments	Description
	<p><u>open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</u></p> <p><u>For a meeting to be postponed or resumed under the first paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and</u></p>	

Current Provisions	Proposed Amendments	Description
	<p><u>number of election rights represented at the postponed or resumed session. During a postponed or resumed session of a shareholders meeting held under the first paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u></p> <p><u>When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p>	
<p><u>Article 17-2: Add.</u></p>	<p><u>Article 17-2:</u> <u>When convening a virtual-only</u></p>	

Current Provisions	Proposed Amendments	Description
	<u>shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u>	
Article 21 The amendment was made on July 2, 2021.	Article 21 The amendment was made on June __, <u>2023</u> .	The date of this amendment shall be added.

Attachments X

Kindom Development Corp.

Comparison between Original and Amendments to Articles of Incorporation

Current Provisions	Proposed Amendments	Description
<p>Article 23</p> <p>The Company shall contribute not less than 0.5% of the profit for employees' compensation, and no more than 0.2% of the profit for Directors' remuneration. If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses.</p> <p>If, after the annual closing of books, there is a profit, the Company shall, after having provided for taxes and offset the accumulated losses of previous years, appropriate the 10% as legal reserve and recognize or reverse special reserve in accordance with laws and regulations. The remaining balance, if any, shall be retained or distributed upon <u>the resolution of the shareholders' meeting</u>.</p>	<p>Article 23</p> <p>The Company shall contribute not less than 0.5% of the profit for employees' compensation, and no more than 0.2% of the profit for Directors' remuneration. If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses.</p> <p>If, after the annual closing of books, there is a profit, the Company shall, after having provided for taxes and offset the accumulated losses of previous years, appropriate the 10% as legal reserve and recognize or reverse special reserve, in accordance with laws and regulations. The remaining balance, if any, shall be retained or distributed upon the resolution of the shareholders' meeting. However, if the distribution of earnings is made in cash, the Board of Directors is authorized to make the distribution with the presence of at least two-thirds of the directors and the approval of a majority of the directors present, and report the distribution to the shareholders' meeting in accordance with Article 240, Paragraph 5 of the Company Act.</p>	<p>In line with operational needs and amended in accordance with the Company Act.</p>
<p>Article 25</p> <p>These Articles of Incorporation were made on October 1, 1979. The 1st</p>	<p>Article 25</p> <p>These Articles of Incorporation were made on October 1, 1979. The 1st</p>	<p>Amended to include the</p>

Current Provisions	Proposed Amendments	Description
<p>amendment was approved on October 27, 1979, and the 2nd amendment on November 8, 1979. The 3rd amendment on January 31, 1982, the 4th amendment on April 2, 1984, the 5th amendment on July 23, 1986, the 6th amendment on May 30, 1989, the 7th amendment on August 8, 1990, the 8th amendment on August 25, 1990, the 9th amendment on November 26, 1990, the 10th amendment on December 29, 1990, the 11th amendment on June 26, 1991, the 12th amendment on May 13, 1992, the 13th amendment on December 23, 1992, the 14th amendment April 26, 1993, the 15th amendment on August 31, 1993, the 16th amendment on May 10, 1994, the 17th amendment on May 16, 1996, the 18th amendment on May 7, 1997, the 19th amendment on April 28, 1998, the 20th amendment on March 30, 1999, the 21st amendment on April 18, 2000, the 22nd amendment on March 28, 2001, the 23rd amendment on June 14, 2002, the 24th amendment on June 14, 2005. The 25th amendment was approved on June 13, 2007. The 26th amendment was approved on June 13, 2008. The 27th amendment was approved on June 15, 2010, the 28th amendment on June 24, 2011, the 29th amendment on June 15, 2012, the 30th amendment on June 13, 2013, the 31st amendment on June</p>	<p>amendment was approved on October 27, 1979, and the 2nd amendment on November 8, 1979. The 3rd amendment on January 31, 1982, the 4th amendment on April 2, 1984, the 5th amendment on July 23, 1986, the 6th amendment on May 30, 1989, the 7th amendment on August 8, 1990, the 8th amendment on August 25, 1990, the 9th amendment on November 26, 1990, the 10th amendment on December 29, 1990, the 11th amendment on June 26, 1991, the 12th amendment on May 13, 1992, the 13th amendment on December 23, 1992, the 14th amendment April 26, 1993, the 15th amendment on August 31, 1993, the 16th amendment on May 10, 1994, the 17th amendment on May 16, 1996, the 18th amendment on May 7, 1997, the 19th amendment on April 28, 1998, the 20th amendment on March 30, 1999, the 21st amendment on April 18, 2000, the 22nd amendment on March 28, 2001, the 23rd amendment on June 14, 2002, the 24th amendment on June 14, 2005. The 25th amendment was approved on June 13, 2007. The 26th amendment was approved on June 13, 2008. The 27th amendment was approved on June 15, 2010, the 28th amendment on June 24, 2011, the 29th amendment on June 15, 2012, the 30th amendment on June 13, 2013, the 31st amendment on June</p>	<p>number of amendments and the effective date.</p>

Current Provisions	Proposed Amendments	Description
30, 2015, the 32nd amendment on June 28, 2016, the 33rd amendment on June 27, 2018, the 34th amendment on July 2, 2021, and the 35th amendment on June 29, 2022.	30, 2015, the 32nd amendment on June 28, 2016, the 33rd amendment on June 27, 2018, the 34th amendment on July 2, 2021, the 35th amendment on June 29, 2022, and the 36th amendment on June X, 2023.	

Appendix I

Kindom Development Corp. Articles of Incorporation (Before Amendments)

Chapter 1 General Provisions

- Article 1 The Company shall be organized in accordance with the regulations prescribed in the Company Act. The Chinese name is 冠德建设股份有限公司 and the English name of the Company is Kindom Development Co., Ltd.
- Article 2 The scope of business of the Company shall be as follows:
- I. H701010 - Residence and Buildings Lease Construction and Development.
 - II. H701050 - Public Works Construction and Investment.
 - III. H701070 - Land Levy and Delimit.
 - IV. H701080 - Reconstruction within the renewal area.
 - V. H703090 - Real Estate Commerce.
 - VI. H703100 - Real Estate Rental and Leasing.
 - VII. F211010 - Retail Sale of Building Materials.
 - VIII. F205040 - Retail sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures.
 - IX. F401010 - International Trade.
 - X. ZZ99999 - All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 The Company's total amount of investment in other businesses is subject to the limitation of 40% of the Company's paid-in capital, and the Company may act as a guarantor.
- Article 3 The Company is headquartered in Taipei City and when necessary may establish branches or representative offices at proper locations at home and abroad as resolved by the Board of Directors and approved by the competent authority.
- Article 4 The announcements made by the Company is handled in accordance with the Article 28 of the Company Act.

Chapter 2 Shares

- Article 5 The authorized capital of the Company is NT\$ 6.5 billion consisting of 650 million shares. The par value of each share is NT\$ 10, and the Board of Directors is authorized to issue the shares in separate installments in accordance with the relevant laws and the Company Act. Among the total capital in the preceding paragraph, 20 million shares are retained for the issuance of employee stock warrants, and the Board of Directors has been authorized to issue the shares in separate installments in accordance with relevant laws. Employee stock warrants issued by the Company at a price lower than the closing price of the common shares issued by the Company on the issuance date shall be issued only after a special resolution of the Board of Shareholders has been passed. If the Company transfers the warrants to the employee at a price lower than the average price of the actual repurchased shares, the transfer shall be passed by the last shareholders' meeting through special resolution prior to the transfer. The recipients of employee stock warrants and of treasure shares by the Company may include the employees of the Company's controlling companies

and subsidiary companies who meet certain conditions; the terms and mode of the distribution shall be decided by the Board of Directors.

Article 6 The share certificates of the Company shall be signed by, or affixed with seals of, at least three directors. The reference number is stamped with the Company's seal on each share certificate, and it shall be registered by the competent authority before issuance in accordance with the relevant laws. The Company may issue shares without printing share certificate(s), which shall be authenticated by the competent authority before issuance.

Article 7 The shareholders of the Company shall process the shareholder services such as transfer of share ownership, creation of pledge, removal of pledge, reporting of loss, inheritance of shares, gift, reporting of specimen chop loss or change, or change of address, etc., in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" announced by the competent authority in addition to the relevant securities laws and regulations.

Article 8 All entries in the shareholders register due to share transfers shall be suspended for 60 days prior to the general shareholders' meetings, or for 30 days prior to the special shareholders' meetings, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

Article 9 deleted.

Chapter 3 Shareholders' Meetings

Article 10 Shareholders' meetings of the Company are of two types, namely: general meetings and special meetings. General meetings shall be convened, by the Board of Directors, within six months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, rules and regulations.

Article 11 Written notices shall be sent to all shareholders at their latest places of residence as registered with the Company for the convening of shareholders' meetings, at least 30 days in advance, in case of general meetings; and at least 15 days in advance, in case of special meetings. The purpose(s) for convening any such meeting shall be clearly stated in the written notices sent out to the shareholders.

Article 11-1 The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 12 If a shareholder is unable to attend a meeting, he/she may appoint a representative to attend it, and to exercise, on his/her behalf, all rights at the meeting, in accordance with Article 177 of the Company Act, and Article 25-1 of the Securities and Exchange Act. Shareholders of the Company may also vote via an electronic voting system, and those who do shall be deemed as attending the shareholders' meeting in person; electronic voting shall be conducted in accordance with the relevant laws and regulations.

Article 13 Unless otherwise regulated by the Article 179 under the Company Act, each shareholder of the Company is entitled to one vote per share.

Article 14 If a general meeting is called by the Directors, the Chairman of the Directors shall preside as the chair of such general meeting. When the Chairman of the Board is absence, the Vice Chairman shall act in his place. If both the Chairman and the Vice Chairman are absence,

the Chairman shall appoint one of the directors to act as the chair. In the absence of such designation, the directors shall mutually select a chair from among themselves. If a general meeting is called by any person(s) other than the Directors, the person(s) who has called the meeting shall preside as the chair of such general meeting; and if there is more than one person who has called a general meeting, such persons shall elect one from among themselves to act as the chair of such general meeting.

Article 15 Except as otherwise provided in the Company Act, a meeting of the Board of Directors may be held if attended by a majority of the total number of Directors and resolutions shall be adopted with the concurrence of the majority of the Directors present at the meeting.

Article 15-1 Article 15-1 Minutes shall be duly worked out for the decisions resolved in the shareholders' meeting. The minutes shall be signed or affixed with a seal by the chair and shall be served to all shareholders within twenty days after the meeting. The minutes may be distributed by public announcements.

Chapter 4 Director

Article 16 The Company shall set nine Directors, who shall be elected from the list of candidates for Directors by the shareholders' meeting. The term of office for Directors shall be three years, and all Directors shall be eligible for re-election. However, the term may be shortened if necessary.

Directors shall be elected by adopting candidates' nomination system as specified in Article 192-1 of the Company Act, and all the election-related issues shall be handled in accordance with the relevant regulations of the Company Act and the Securities and Exchange Act.

The Board of Directors must have at least three independent directors. Matters regarding professional qualification, restrictions on shareholdings, concurrent positions held, method of nomination and election, as well as all other matters with respect to the positions of independent directors shall be subject to the rules prescribed by the securities governing authorities.

The total amount of the registered stocks by all Directors of the Company shall is determined in accordance with "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" issued by the Financial Supervisory Commission.

Article 16-1 More than half of the Directors in the Company shall not have the interpersonal relationship as described below:

I. Spousal relationship.

II. Relative within second degree of kinship.

Article 17 The board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board. The Chairman of the board of directors shall have the authority to represent the Company externally.

Article 17-1 The notice for the Board meeting shall specify the reasons for the meeting and shall be served to each Director at least seven days prior to the meeting. A Board meeting may be held at any time in case of an emergency.

The notice mentioned in the aforementioned item may be served in the form of fax, e-mail, etc.

In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 18 In the case that the Chairman is on a leave or unable to attend a meeting, he or she may appoint a person as his representative to act on behalf of him/her, in accordance with the Article 208 of the Company Act. A Director may, by written authorization, appoint another Director to attend on his behalf any meeting of the Board of Directors, and to vote for him on all matters presented at such a meeting, but no Director may represent for more than one other Director.

Article 19 The Company shall set up the Audit Committee, which shall consist of the entire independent directors, in accordance with the Article 14-4 of the Securities and Exchange Act. The Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of supervisors specified under the Company Act, the Securities and Exchange Act, and other relevant regulations.

Article 20 The Board of Directors is authorized to determine the salary for the Directors, taking into account the extent and value of the services provided for the management of the Company and the standards of the industry within Taiwan (R.O.C.). Independent directors are offered with a monthly remuneration; therefore, the Article 23 of Distribution of Directors' Remuneration does not apply to them.

The Company may obtain Directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

Chapter 5 Managerial Officers

Article 21 The Company may have several general managers. The appointment, dismissal and remuneration of the general manager shall be handled in accordance with the Article 29 under the Company Act.

Chapter 6 Accounting

Article 22 The Company shall, at the end of each fiscal year, prepare the following reports and submit to the shareholders' meeting for recognition.

(I) Business Report.

(II) Financial Statements.

(III) Proposal for distribution of earnings to shareholders or recovery of prior year losses.

Article 23 The Company shall contribute not less than 0.5% of the profit for employees' compensation, and no more than 0.2% of the profit for Directors' remuneration. If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses.

If, after the annual closing of books, there is a profit, the Company shall, after having provided for taxes and offset the accumulated losses of previous years, appropriate the 10% as legal reserve and recognize or reverse special reserve in accordance with laws and regulations. The remaining balance, if any, shall be retained or distributed upon the resolution of the shareholders' meeting.

Article 23-1 The Company is in a capital-intensive industry; therefore, the Company has been developing investment portfolio diversifications, as well as striving for the business growth and innovation in order to continuously expand the capital reserves and to reward the shareholders through cash dividends. The cash dividend payout ratio shall not exceed 20% of the combined amount of both cash and stock dividends.

Chapter 7 Supplementary Provisions

Article 24 Matters not addressed by these Articles of Incorporation shall be governed by the Company Act.

Article 25 These Articles of Incorporation were made on October 1, 1979. The 1st amendment was approved on October 27, 1979, and the 2nd amendment on November 8, 1979. The 3rd amendment on January 31, 1982, the 4th amendment on April 2, 1984, the 5th amendment on July 23, 1986, the 6th amendment on May 30, 1989, the 7th amendment on August 8, 1990, the 8th amendment on August 25, 1990, the 9th amendment on November 26, 1990, the 10th amendment on December 29, 1990, the 11th amendment on June 26, 1991, the 12th amendment on May 13, 1992, the 13th amendment on December 23, 1992, the 14th amendment April 26, 1993, the 15th amendment on August 31, 1993, the 16th amendment on May 10, 1994, the 17th amendment on May 16, 1996, the 18th amendment on May 7, 1997, the 19th amendment on April 28, 1998, the 20th amendment on March 30, 1999, the 21st amendment on April 18, 2000, the 22nd amendment on March 28, 2001, the 23rd amendment on June 14, 2002, the 24th amendment on June 14, 2005. The 25th amendment was approved on June 13, 2007. The 26th amendment was approved on June 13, 2008. The 27th amendment was approved on June 15, 2010, the 28th amendment on June 24, 2011, the 29th amendment on June 15, 2012, the 30th amendment on June 13, 2013, the 31st amendment on June 30, 2015, the 32nd amendment on June 28, 2016, the 33rd amendment on June 27, 2018, the 34th amendment on July 2, 2021, and the 35th amendment on June 29, 2022.

Appendix II

Kindom Development Corp.

Rules of Procedures for Shareholders' Meetings (Before Amendments)

- Article 1 The shareholders' meetings of Kindom Development Corp. (hereinafter referred to as "The Company") shall be held according to the rules herein.
- Article 2 The shareholder referred herein is the person himself/herself or a representative who is legally authorized to act on behalf of this shareholder.
- Article 3 On the date of a shareholders' meeting, the attendance of a shareholders' meeting shall be recorded on the sign-up sheet provided by the Company, or shareholders shall submit attendance cards instead of signing in.
- Number of shareholders in attendance shall be calculated based on the number of attending shareholders, which equals to the sum of the number of attendees shown on the sign-up sheet and the number of attendance cards. Shareholders are permitted to exercise their voting power either through the written ballot or by an electronic voting system.
- In the case that the corporate shareholders are appointed to attend a shareholders' meeting, only one person may represent and attend the meeting.
- Article 4 A shareholders' meeting shall be convened in a location where Kindom is located or at a location that is appropriate for the shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- Article 5 If a shareholders' meeting is convened by the Board of Directors, the meeting shall be presided over by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise his powers, the Vice Chairman shall act in his place. If there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise his powers, the Chairman shall appoint one of the directors to act as the chair. In the absence of such designation, the directors shall mutually select a chair from among themselves.
- In the event that shareholders' meeting is convened by a person beyond the Board of Directors, the meeting shall be handled in accordance with the Article 182 under the Company Act.
- Article 6 The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.
- The personnel in charge of the shareholders' meeting affairs shall wear the required identity certificates or arm-bands.
- Article 7 The entire process of a shareholders' meeting shall be videotaped or audiotaped and shall be archived for a minimum of one year.

Article 8 The chair shall call the meeting to order at the time scheduled for the meeting, if the shareholders present in the meeting holds the majority of the total outstanding shares, and announce the relevant information such as number of non-voting shares and number of shares held by the shareholders who participate in the meeting; in the event that the meeting is attended by shareholders who represent less than a majority of the total outstanding shares at the time scheduled for the meeting, the chair may announce postponement of the meeting; the total number of postponements shall not exceed the maximum of twice and the total time accumulated for the postponement shall not exceed an hour; If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted in accordance with Paragraph 1, Article 175 of the Company Act, which is "a tentative resolution may be passed by a majority of those present." With respect to the special resolutions are stipulated under the Company Act, the procedures of making such resolutions shall be in accordance with the Company Act.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 9 Where a shareholders' meeting is convened by the Board of Directors, the agenda shall be fixed by the Board of Directors. The meeting shall be handled based on the scheduled agenda which shall not be changed unless resolved by the shareholders' meeting.

The provision set forth in the preceding paragraph is applicable mutatis mutandis to a shareholders' meeting which is convened by a person beyond the Board of Directors.

The chair shall not announce adjournment of the meeting until the contents set forth in the agenda mentioned in two preceding paragraphs and the occasional (extempore) motions are concluded in the meeting.

The chair shall not announce adjournment of the meeting until the contents set forth in the agenda mentioned in two preceding paragraphs and the occasional (extempore) motions are concluded in the meeting. In the event that the chair breaches the rules of the meeting by announcing adjournment of the meeting, other members of the Board of Directors shall promptly elect a new chair from among the present shareholders to preside over the meeting.

Article 10 In a shareholders' meeting, a shareholder who intends to present a speech shall fill out a slip, specifying the account number of shareholder (the name of account) and the summary of his/her speech in advance. The order in which shareholders speak will be set by the chair. A shareholder who has submitted the slip but does not speak up is deemed as not given the right to speak. In case of a discrepancy found between the slip of presentation and content

of actual speech, the content of actual speech shall prevail.

Article 11 Each shareholder shall not speak twice on the same issue unless permitted by the chair. Each speech shall not exceed five minutes. However, with the chair's permission, this shall not apply for those descriptions of or answers of the enquiries about the issue in the proposals. In the case that the corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one representative may have the right to speak for the same issue. Where a shareholder speaks against the rules or beyond the scope of the subject issue, the chair may stop his/her speech.

In the case that a shareholder gives his/her speech, other shareholders shall not interrupt unless agreed by the chair and the speaking shareholder. Otherwise the chair shall stop such violating behaviors.

In the event that a shareholder breaches the rules of the meeting and defies the rectification from the chair against the progress of the meeting, it shall be handled in accordance with Paragraph 2, Article 18 of the Rules.

Article 12 After a shareholder has given his/her speech, the chair may reply in person or by appointing a relevant person to reply.

Article 13 When the chair considers the discussion of a certain issue has reached the extent for making a resolution, he/she may announce discontinuance of the discussion and submit the motion for resolution.

Article 14 The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the chair; however, the person supervising the casting of votes shall be a shareholder.

Article 15 Where a shareholders' meeting is convened by the Company, shareholders shall exercise their voting power through either the written ballot or voting through an electronic voting system. Shareholders may also vote via an electronic voting system, and those who do shall be deemed as attending the shareholders' meeting in person. However, it shall be deemed that they have waived his/her rights with respect to the extempore motions and amendments to original proposals of that meeting.

Unless otherwise provided in laws or the Articles of Incorporation of the Company, matters in the shareholders' meeting shall be resolved by a majority vote at a meeting attended by the shareholders.

Each share hereof is entitled to one voting right, but, in accordance with the Article 177 of the Company Act, which is "Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be

counted.."

The results of the resolutions in the meeting and the results shall be recorded in the minutes.

- Article 16 In the case that there is an amendment or alternative for a motion, the chair shall combine them along with the original motion and determine their orders for resolution. Once one of them is resolved, the remaining shall be deemed as rejected and no further resolution shall be required.
- Article 17 During a shareholders' meeting, the chair may consider the schedule and adequately announce a break. In the event that a meeting does not end as planned, the shareholders' meeting may resolve a decision to resume the meeting within five days without giving any notice and announcement. In the event that the civil defense siren goes off, the meeting shall immediately be discontinued and shareholders shall evacuate from the venue. Shareholders may resume the meeting after the siren has been stopped for one hour.
- Article 18 The chair may direct the guards to help maintain the order of the shareholders' meeting. The guards shall wear required identity certificates or arm-bands while they are on duty in the shareholders' meeting venue.
- Shareholders shall follow the chair and the guards' guidance to follow the rules in the meeting. If a shareholder defies the rectification from the chair against the progress of the meeting, the chair may request the guards to assist the person to leave the meeting.
- Article 19 Any unlisted matters in these rules shall be handled in accordance with the Company Act, the rules of procedures issued by the Ministry of the Interior, and the Articles of Incorporation of the Company.
- Article 20 These rules and amendment hereof shall be put into enforcement after being resolved in the shareholders' meeting.
- Article 21 The amendment was made on July 2, 2021.

Appendix III

Kindom Development Corp. Regulations Governing the Transfer of Repurchased Shares to Employees(First Amendment)

Article 1 In order to motivate employees and promote their team building force, the Company has established the Company's share repurchase program for employees in accordance with Subparagraph 1 of Paragraph 1, Article 28-2 of the Securities and Exchange Act and the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" issued by the Financial Supervisory Commission, Executive Yuan. The Company's repurchase of shares and transfer to employees shall be handled in accordance with these Regulations in addition to the relevant laws and regulations.

(Type of shares to be transferred, a description of the rights attaching thereto, and any restrictions on such rights)

Article 2 The shares transferred to employees are ordinary shares with the same rights and obligations as other outstanding ordinary shares, unless otherwise stipulated by relevant laws and regulations.

(Transfer period)

Article 3 The repurchased shares may be transferred to employees in one or more installments within five years from the date of the repurchase in accordance with the provisions of this Regulation. The untransferred portion of the shares shall be deemed to be unissued shares of the Company and shall be cancelled and registered for change in accordance with the law.

(Eligibility of transferee)

Article 4 All current employees of the company and domestic or foreign controlled or affiliated companies who have taken office before the stock subscription base date or who have made special contributions to the company and have been reported to the board of directors for approval, can enjoy the subscription amount stipulated in Article 5 of these Regulations. The so-called controlling or subordinate companies are recognized in accordance with Article 369-2, Article 369-3, Paragraph 2 o Article 369-9 and Article 369-11 of the Company Act.

If the subject of the transfer leaves or is on leave without pay during the period from the base date of the employee's stock subscription to the deadline of the subscription payment, he/she is disqualified from the subscription.

(Determination of the number of shares to be transferred to employees)

Article 5 The number of shares to be subscribed by an employee shall be determined by the Company, taking into account the employee's length of service, position, performance, overall

contribution, special merit or other management requirements, and taking into account the total number of shares held by the Company and the maximum number of shares to be subscribed by a single employee as of the base date of the subscription. The number of shares to be transferred to employees and the actual eligibility criteria are determined and submitted to the board of directors for resolution. In the list of subscribers with those who is a managerial personnel, it should be first submitted to the Remuneration and Compensation Committee for deliberation then submitted to the board of directors for resolutions. For those who are not managerial personnel should first submit to the Audit Committee for deliberation and then submit to the board of directors for resolution.

Employees who fail to subscribe for payment at the expiration of the payment period shall be deemed to have forfeited. The board of directors may, at the time of the subscription exercise or during the period of transfer as described in Article 3, negotiate with other employees to subscribe for the remaining balance of the subscription, and submit it to the Audit Committee or the Remuneration Committee for consideration and the board of directors for resolution in accordance with the status of the subscriber.

(Procedure for Transfer)

Article 6 Procedures for the repurchase of shares for the purpose of transferring them to employees:

1. To announce, report and repurchase the Company's shares within the execution period in accordance with the resolution of the Board of Directors
2. The board of directors shall formulate and announce operational matters such as the base date of employee stock subscription, the standard for the number of shares to be subscribed, the subscription payment period, the content of rights and restrictions, etc. in accordance with these Regulations.
3. Tallying the actual number subscription to paid shares, registration of transfer of shares.

Contracted transfer price per share

Article 7 The transfer price of the repurchased shares to employees is based on the average price of the actual repurchase (calculated to the nearest NT\$ cents and rounded down below), except that if there is an increase in the number of common shares issued by the Company prior to the transfer, the transfer price may be adjusted by the rate of increase in the number of shares issued. If the transfer is made to an employee at a price lower than the average of the actual purchase price, the transfer shall be approved by at least two-thirds of the votes of the shareholders present at the most recent shareholders' meeting representing a majority of the total number of outstanding shares prior to the transfer. The Company shall set forth the matters specified in Article 10-1 of the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" in the reasons for convening the

shareholders' meeting before proceeding.

(Rights and obligations after transfer)

Article 8 After the transfer of the repurchased shares to the employees and the registration of the transfer, the rights and obligations are the same as the original shares unless otherwise specified.

(Other matters concerning the rights and obligations of the Company and its employees)

Article 9 If the Company repurchases shares and transfers them to employees, the taxes and expenses incurred shall be borne by the Company or the employees respectively in accordance with the relevant laws and regulations.

(Other Matters)

Article 10 This Regulation shall be effective upon the resolution of the board of directors and may be amended by the resolution of the board of directors.

Article 11 The resolution of the board of directors to repurchase shares of the Company for transfer to employees and the implementation thereof shall be reported at the latest shareholders' meeting.

Article 12 These Regulations were established on December 27, 2011.

The first amendment was made on August 5, 2022.

The second amendment was made on November 9, 2022.

The third amendment was made on Mar 14, 2023.

Appendix IV

Kindom Development Corp. Rules of Procedures of Board Meeting (Before Amendments)

- Article 1 In order to establish a good governance system of the company's board of directors, improve the supervision function and strengthen the management function, this Regulation is formulated in accordance with Article 2 of the " Regulations Governing Procedure for Board of Directors Meetings of Public Companies" for compliance.
- Article 2 The Company's board of directors shall follow the provisions of this regulation for the main contents of its proceedings, operating procedures, matters to be stated in the minutes, announcements and other matters to be followed.
- Article 3 The Company's board of directors convenes at least once every quarter.
The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.
The notice set forth in the preceding paragraph may be served in the form of writing, fax, or electronic transmission, etc.
The matters in paragraph 1 of Article 12 of this Regulation, except for sudden emergencies or legitimate reasons, shall be listed in the reasons for convening, and shall not be raised by an extempore motion.
- Article 4 The unit designated by the board of directors of the company to handle the affairs of the company is the Accounting Division of the Finance Department.
The agenda working group shall prepare agenda items for board of directors meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting.
A director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the board of directors.
- Article 5 When a meeting of the board of directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.
All board directors shall attend board meetings in person; if attendance in person is not possible, they may, pursuant to the company's articles of incorporation, appoint another director to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.

A director appointing another director to attend a board meeting in his or her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting.

A proxy under paragraph 2 may accept a proxy from one person only.

Article 6 A board of directors meeting shall be held at the location and during the business hours of the company, or at a place and time convenient to all directors and suitable for holding such a meeting.

Article 7 The Board meetings shall be convened and chaired by the Chairman of the Board. However, the first Board meeting of each term shall be convened and chaired by the director whose ballots represent the highest number of votes at the shareholders' meeting. When there are two or more persons with the right to convene, they shall choose one from among themselves.

The Board meetings shall be convened by the majority of the directors, and those director shall agree among themselves as to who shall act as the chair of the meeting, in accordance with either Paragraph 4 of Article 203 or Paragraph 3 of Article 203-1 of the Company Act.

When the Chairman of the Board is on leave or for any reason unable to exercise his powers, the Vice Chairman shall act in his place. If there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise his powers, the Chairman shall appoint one of the directors to act as the chair. In the absence of such designation, the directors shall mutually select a chair from among themselves.

Article 8 When a board meeting is held, the management (or the Accounting Department of Finance Division) shall furnish the attending directors with relevant materials for ready reference.

As merited by the content of a proposal to be put forward at a board meeting, personnel from a relevant department or a subsidiary may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys, or other professionals retained by this Corporation may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance.

If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.

The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 9 Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.

Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the Company.

Article 10 Agenda items for regular board meetings of this Company shall include at least the <http://www.selaw.com.tw/Scripts/Query1B.asp?no=1G010030010> following:

I. Matters to be reported:

(I) Minutes of the last meeting and action taken.

(II) Important financial and business matters.

(III) Internal audit activities.

(IV) Other important matters to be reported.

II. Matters for discussion:

(I) Items for continued discussion from the last meeting.

(II) Items for discussion at this meeting.

III. Extraordinary motions.

Article 11 A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 4 shall apply mutatis mutandis.

Article 12 The following matters shall be proposed to the Company's Board meeting for discussion:

I. The Company's business plan.

II. The annual financial statement shall include the signatures or seals from the Chairman of the Board, General Manager, and Accounting Manager.

- III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act (herein referred to as the Act) and assessment of the effectiveness of the internal control system.
- IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
- V. The offering, issuance, or private placement of equity-type securities.
- VI. The appointment or discharge of a financial, accounting, or internal audit officer.
- VII. A donation to a related party or a major donation to a non-related party. Provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
- VIII. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NT\$100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

If the Company has an independent director or directors, at least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

Article 13 When the chair considers the discussion at the board meeting of a certain issue has reached the extent for making a resolution, he/she may announce discontinuance of the discussion and submit the motion for resolution.

When a proposal comes to a vote at a board of directors meeting, if the chair puts the matter before all directors present at the meeting and none voices an objection, the matter is deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote. Except as otherwise stated in the Company Act, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting. The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the chair; however, the person supervising the casting of votes shall be a director.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

- I. A show of hands or a vote by voting machine.
- II. A roll call vote.
- III. A vote by ballot.
- IV. A vote by a method selected at the Company's discretion.

"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 15, paragraph 1.

Article 14 Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.

In the case that there is an amendment or alternative for a motion, the chair shall combine them along with the original motion and determine their orders for resolution. Once one of them is resolved, the remaining shall be deemed as rejected and no further resolution shall be required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.

Voting results shall be made known on-site immediately and recorded in writing.

Article 15 If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director will only be allowed to express opinions and answer questions, but may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.

Where the spouse or a blood relative within the second degree of kinship of a director, or

a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.

In accordance with Paragraph 2, Article 180 of the Company Act, as applied mutatis mutandis under Paragraph 4, Article 206 of the same Act, apply to resolutions of Board meetings when a Board director is prohibited by the preceding paragraph from exercising voting rights.

Article 16

Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

- I. The meeting session (or year) and the time and place of the meeting.
- II. The name of the chair.
- III. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
- IV. The names and titles of those attending the meeting as non-voting participants.
- V. The name of the minute taker.
- VI. The matters reported at the meeting.
- VII. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.
- VIII. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.
- IX. Other matters required to be recorded.

The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of the Company.

Any of the following matters in relation to a resolution passed at a meeting of the board of directors shall be stated in the meeting minutes and within two days of the meeting be published on an information reporting website designated by the competent authority:

- I. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.

II. Any matter that has not been passed by the audit committee, but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the audit committee.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company. Well preserved as important company records during the existence of the company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.

Article 17 Apart from matters referred to in paragraph 1 of Article 12, which are required to be submitted for discussion by the board of directors, when the board of directors delegates any exercise of its powers pursuant to laws or regulations or the company's articles of incorporation, matters such as the level and substance of the delegation shall be concretely and specifically set out:

I. Article 8 of the Endorsements/Guarantees Procedures

II. The Company's Procedures for the Acquisition or Disposal of assets, Chapter 1, Article 4, Paragraph 1.

Article 18 These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting.

Article 19 The amendment was approved on March 23, 2020.

Appendix V

Kindom Development Corp. Ethical Corporate Management Best Practice Principles

(Before Amendments)

Chapter 1 General Provisions

Article 1

The Company hereby adopt these Principles to establish a sound corporate governance system with reference to the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”.

Article 2

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, the Company shall follow the following principles:

- I. Protect the rights and interests of shareholders.
- II. Strengthen the powers of the board of directors.
- III. Fulfill the function of supervisors.
- IV. Respect the rights and interests of stakeholders.
- V. Enhance information transparency.

Article 3

The Company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment.

The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The Audit Committee shall also attend to and supervise these matters. Directors and the Audit Committee shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors. The Company is advised to establish channels and mechanisms of communication between their independent directors or audit committees, and chief internal auditors, and the convener of the audit committee shall report the communications between members of the audit committees or supervisors and chief internal auditors at the shareholders' meeting.

The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the Company shall be reported to the board of directors or shall be submitted by the chief auditor to the board chairperson for approval.

Article 3-1

The Company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities or TWSE a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.

It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:

- I. Handling matters relating to board meetings and shareholders meetings according to laws
- II. Producing minutes of board meetings and shareholders meetings.
- III. Assisting in onboarding and continuous development of directors
- IV. Furnishing information required for business execution by directors
- V. Assisting directors with legal compliance.
- VI. Other matters set out in the Articles of Incorporation or contracts.

Chapter 2 Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4

The corporate governance system of the Company shall be designed to protect shareholders' rights and interests and treat all shareholders equitably.

The Company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the company.

Article 5

The Company shall convene shareholders meetings in accordance with the Company Act and relevant laws and regulations, and provide comprehensive rules for such meetings. The Companies shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings. Resolutions adopted by shareholders meetings of the Company shall comply with laws, regulations and articles of incorporation.

Article 6

The board of directors of the Company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, advisably with videoconferencing available and sufficient time allowed and sufficient number of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements

For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors (including at least one independent director) and convener of the audit committee attend in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

Article 7

The Company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis. The Company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders meetings in both Chinese and English concurrently, and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.

The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting.

The Company is advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System.

Article 8

The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors.

The shareholders meeting minutes shall be properly and perpetually kept by the company during its legal existence, and should be sufficiently disclosed on the company's website.

Article 9

The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the company. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10

The Company shall place high importance on the shareholder right to know and prevent insider trading, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company.

To protect its shareholders' rights and interests and ensure their equal treatment, the Company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.

It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the Company becoming aware of the contents of the company's financial reports or relevant business results. Measures include, without limitation, those prohibiting a director from trading its shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.

Article 10-1

It is advisable that the Company report at a general shareholder meeting the remuneration received by directors, including the remuneration policy, individual remuneration package, amount, and association with outcomes of performance reviews.

Article 11

The shareholders shall be entitled to profit distributions by the company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee, and may decide profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector.

The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records, assets, particulars, documents and records of specific transaction of the company.

The board of directors, audit committee, and managers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any circumvention, obstruction or rejection.

Article 12

In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, , but information disclosure and the soundness of the company's financial structure thereafter.

The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

Section 2 Establishing a Mechanism for Interaction with Shareholders

Article 13

In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.

The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the company's articles of incorporation by any directors or managers in performing their duties.

It is advisable that the Company adopt internal procedures for appropriate handling of matters referred to in the preceding two paragraphs, and that it keep relevant written records for future reference and incorporate the procedures in its internal control system for management purposes.

Article 13-1

The board of directors of the Company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.

Article 13-2

In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the board of directors of the Company together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.

Section 3 Corporate Governance Relationships between the Company and Its Affiliated Companies

Article 14

The Company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

Article 15

Unless otherwise provided by the laws and regulations, a manager of the Company may not serve as a manager of its affiliated enterprises.

A director who engages in any transaction for himself or on behalf of another person that is within the scope of the company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.

Article 16

The Company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Article 17

Where the Company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing respect of the relevant financial and business operations between each other shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.

All transactions or contracts made by and between the Company and its affiliated persons and shareholders shall follow the principles set forth in the proceeding paragraph and improper channeling of profits is strictly prohibited.

Article 18

A corporate shareholder having controlling power over the Company shall comply with the following provisions:

- I. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable.
- II. Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director.
- III. It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors and shall not act beyond the authority granted by the shareholders meeting or board meeting.

- IV. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
- V. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
- VI. The representative that is designated when a corporate shareholder has been elected as a director or supervisor shall meet the company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 19

The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.

The Company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

The major shareholder indicated in the first paragraph refers to those who owns 5 percent or more of the outstanding shares of the company or the shareholding stake thereof is on the top 10 list.

Chapter 3 Enhancing the Functions of the Board of Directors

Section 1 Structure of the Board of Directors

Article 20

The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.

The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

- I. Basic requirements and values: Gender, age, nationality, and culture; it is advisable that the number of female directors account for at least one-third of all the directors.

II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

- I. Ability to make operational judgments.
- II. Ability to perform accounting and financial analysis.
- III. Ability to conduct management administration.
- IV. Ability to conduct crisis management.
- V. Knowledge of the industry.
- VI. An international market perspective.
- VII. Ability to lead.
- VIII. Ability to make policy decisions.

Article 21

The Company shall, according to the principles for the protection of shareholder rights and interests and equitable treatment of shareholders, establish a fair, just, and open procedure for the election of directors, encourage shareholder participation, and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.

A spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.

When the number of directors falls below five due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).

The aggregate shareholding percentage of all of the directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22

The Company shall specify in its articles of incorporation that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-

1 of the Company Act.

Article 23

Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of the Company and those of its president.

It is inappropriate for the chairperson to also act as the president or an equivalent post.

The Company with a functional committee shall clearly define the responsibilities and duties of the committee.

Section 2 Independent Director System

Article 24

The Company shall appoint independent directors in accordance with its articles of incorporation. They shall be not less than two in number and advisably not less than one-third of the total number of directors.

It is advisable that an independent director serve for not more than three consecutive terms.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than five other TWSE/TPEX listed companies. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company.

If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the

Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange.

Article 25

The Company shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

- I. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- II. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
- III. A matter bearing on the personal interest of a director.
- IV. A material asset or derivatives transaction.
- V. A material monetary loan, endorsement, or provision of guarantee.
- VI. The offering, issuance, or private placement of equity-type securities.
- VII. The hiring, discharge, or compensation of an attesting CPA.
- VIII. Appointment or dismissal of financial, accounting or internal audit officer.
- IX. Any other material matter so required by the competent authority.

Article 26

The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The Company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors. The Company shall stipulate the remuneration of the directors according to applicable laws and regulations. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the company, and shall also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Section 3 Functional Committees

Article 27

For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the Company, in consideration of the company's scale and type of operations and

the number of its board members, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the articles of incorporation.

Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, provided that the performance of supervisor's duties by the audit committee pursuant to Article 14-4, paragraph 4 of the Securities and Exchange Act shall be excluded.

Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the company for exercise of power by the committee.

Article 28

The Company shall establish an audit committee.

The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE.

Article 28-1

The Company shall establish a remuneration committee, and it is advisable that more than half of the committee members be independent directors. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter."

Article 28-2

The Company is advised to establish a nomination committee and its articles of association. It is advisable that a majority of the members of said committee be independent directors and an independent director be its chairperson.

Article 28-3

The Company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the company's internal control system for management purposes.

Article 29

To improve the quality of its financial reports, the Company shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer. Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions. It is advisable that the company establish channels and mechanisms of communication between the independent directors or audit committee, and the attesting CPA, and to incorporate procedures for that purpose into the company's internal control system for management purposes.

The Company shall evaluate the independence and suitability of the CPA engaged by the company regularly (no less frequently than once annually). In the event that the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

Article 30

It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the company, or to assist the directors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant

legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, directors, supervisors or the management are involved in litigation or a dispute with shareholders, the Company shall retain a legal counsel to provide assistance as circumstances require.

The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.

Section 4 Rules for the Proceedings and Decision-Making Procedures of Board Meetings

Article 31

The Company's board of directors convenes at least once every quarter, or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

The Company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 32

Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

Article 33

When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of the Company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. If an independent director

expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of the board meeting:

- I. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.
- II. The matter was not approved by the audit committee (if the company has set up an audit committee), but had the consent of more than two-thirds of all directors.

During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

Article 34

Staff personnel of the Company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.

Meeting minutes may be produced, distributed, and preserved by electronic means.

Proceedings of a board meeting shall be recorded in their entirety in audio or video and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained, in which case the preceding paragraph does not apply.

Where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

When a resolution of the board of directors violates laws, regulations, the articles of incorporation, or

resolutions adopted in the shareholders meeting, and thus causes damages to the company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 35

The following matters shall be proposed to the Company's Board meeting for discussion:

- I. The Company's business plan.
- II. The annual financial statement shall include the signatures or seals from the Chairman of the Board, General Manager, and Accounting Manager.
- III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
- IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
- V. The offering, issuance, or private placement of equity-type securities.
- VI. The performance assessment and the standard of remuneration of the managerial officers.
- VII. The structure of director's remuneration system.
- VIII. Appointment or dismissal of financial, accounting or internal audit officer.
- IX. A donation to a related party or a major donation to a non-related party. Provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
- X. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 36

The Company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.

The board of directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

Article 37

Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

It is advisable that the Company formulate rules and procedures for board of directors performance assessments. Each year, in respect of the board of directors and individual directors, it shall conduct regular scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the board of directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the company's needs:

- I. The degree of participation in the company's operations.
- II. Improvement in the quality of decision making by the board of directors.
- III. The composition and structure of the board of directors.
- IV. The election of the directors and their continuing professional education.
- V. Internal controls.

The performance assessments of board members (self-assessments or peer-to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the company's needs:

- I. Their grasp of the company's goals and missions.
- II. Their recognition of director's duties.
- III. Their degree of participation in the company's operations.
- IV. Their management of internal relationships and communication.
- V. Their professionalism and continuing professional education.
- VI. Internal controls.

It is advisable that the Company conduct performance assessments of a functional committee covering the following aspects, with appropriate adjustments made on the basis of the company's needs:

- I. Their degree of participation in the company's operations.
- II. Their recognition of the duties of the functional committee.
- III. Improvement in the quality of decision making by the functional committee.
- IV. The composition of the functional committee, and election and appointment of committee members.
- V. Internal controls.

The Company is advised to submit the results of performance assessments to the board of directors and

use them as reference in determining compensation for individual directors, their nomination and additional office term.

Article 37-1

It is advisable for the Company to establish a succession plan for the management. The development and implementation of such plan shall be periodically evaluated by the board of directors to ensure sustainable operation.

Article 37-2

The board of directors is advised to evaluate and monitor the following aspects of the Company's direction of operation and performance in connection with intellectual properties, to ensure the company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

- I. Formulate intellectual property regulatory policies, objectives and systems that are associated with the operational strategies.
- II. Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.
- III. Determine and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.
- IV. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.
- V. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the company's expectations.

Article 38

If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the company would suffer material damage, members of the board of directors shall immediately report to the audit committee or an independent director member of the audit committee in accordance with the foregoing paragraph.

Article 39

The Company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.

The Company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.

Article 40

Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

Chapter 4 Respect the rights and interests of stakeholders

Article 41

The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the company, respect and safeguard their legal rights and interests, and designate a stakeholders section on its website.

When any of a stakeholder's legal rights or interests is harmed, the company shall handle the matter in a proper manner and in good faith.

Article 42

The Company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the company and its decision-making process. When any of their legal rights or interest is harmed, the company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 43

The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management or directors so as to reflect employees' opinions about the management, financial conditions, and material decisions of the company concerning employee welfare.

Article 44

In developing its normal business and maximizing the shareholders' interest, the Company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the company's social responsibility.

Chapter 5 Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 45

Disclosure of information is a major responsibility of the Company. The Company shall perform its obligations faithfully in accordance with the relevant laws and the related TWSE rules.

The Company is advised to publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.

The Company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

Article 46

In order to enhance the accuracy and timeliness of the material information disclosed, the Company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the company in making statements independently.

The Company shall appoint one or more acting spokespersons who shall represent the company, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is established to avoid any confusion.

In order to implement the spokesperson system, the Company shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.

The company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Article 47

In order to keep shareholders and stakeholders fully informed, the Company shall utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance.

To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

Article 48

The Company shall hold an investor conference in compliance with the regulations of the TWSE and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the Market Observation Post System and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE regulations.

Section 2 Disclosure of Information on Corporate Governance

Article 49

The Company shall dedicate a section on its website to disclose and update periodically on the following information regarding corporate governance:

- I. Board of directors: such as resumes and authorities and responsibilities of board members, board member diversification policy and the implementation thereof.
- II. Functional committees: such as resumes and authorities and responsibilities of members of each functional committee.
- III. Corporate governance bylaws: such as articles of incorporation, procedure of board of directors meetings, charter of each functional committee, and other relevant corporate governance bylaws.
- IV. Important corporate governance information: such as information of establishment of corporate governance executive officers.

Chapter 6 Supplementary Provisions

Article 50

The Company shall at all times monitor developments in corporate governance as a basis for review and improvement of the company's own corporate governance mechanisms, so as to enhance their effectiveness.

Article 51 Article 51

These regulations and amendment hereof shall be put into enforcement after being resolved in the shareholders' meeting.

Article 52

This amendment was made on March 25, 2022.

Appendix VI

Kindom Development Corp. Code of Practice Principles for Sustainable Development (Before Amendments)

Chapter 1 General Provisions

- Article 1 In order to assist the Company to fulfill its corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, these Principles were formulated with reference to "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" for compliance.
- Article 2 The Principles apply to the entire operations of the Company and its business Group. The Company shall actively fulfill sustainable development in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on sustainable development.
- Article 3 In promoting sustainable development initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.
- .
- Article 4 To implement sustainable development initiatives, the Companies are advised to follow the principles below:
- I. Exercise corporate governance.
 - II. Foster a sustainable environment.
 - III. Preserve public welfare.
 - IV. Enhance disclosure of corporate sustainable development information.
- Article 5 The Company shall take into consideration the correlation between the development of domestic and international sustainable development issues and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors and then reported to the

shareholders meeting.

When a shareholder proposes a motion involving sustainable development, the Company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

Chapter 2 Exercising Corporate Governance

Article 6 The Company is advised to follow the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", and the "Code of Ethical Conduct for TWSE/TPEX Listed Companies" to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7 The directors of the Company shall exercise the due care of good administrators to urge the company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies.

The board of directors of the Company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's furtherance of its sustainable development objectives:

- I. Identifying the company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines.
- II. Making sustainable development the guiding principle of the company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives.
- III. Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors.

Article 8 The Company is advised to, on a regular basis, organize education and training on the promotion of sustainable development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9 For the purpose of managing sustainable development initiatives, the Company is advised to create a governance structure for promotion of sustainable development, and establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete

promotional plans and to report on the same to the board of directors on a periodic basis.

The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

It is advised that the employee performance evaluation system be combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.

Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

Chapter 3 Fostering a Sustainable Environment

Article 11 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12 The Company is advised to endeavor to utilize energy more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13 The Company is advised to establish proper environment management systems based on the characteristics of their industries in order to reduce the impact of the Company's operations on the natural environment.

Article 14 The Company is advised to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.

Article 15 The Company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from its business operations:

- I. Reduce resource and energy consumption of their products and services.
- II. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
- III. Improve recyclability and reusability of raw materials or products.

- IV. Maximize the sustainability of renewable resources.
- V. Enhance the durability of products.
- VI. Improve efficiency of products and services.

Article 16 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17 The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures.

The Company is also encouraged to adopt standards or guidelines generally used domestically and internationally to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

- I. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company.
- II. Indirect greenhouse gas emissions: emissions resulting from the utilization of energy such as imported electricity, heating, or steam.
- III. Other indirect emissions: emissions resulting from corporate activities that are not indirect emissions from energy, but are from other sources of emissions owned or controlled by the Company.

The Company is encouraged to count the greenhouse gas emissions, water consumption and total weight of waste, and shall establish its policies on energy conservation, carbon and greenhouse gas reduction, reduce water use or other waste management. Such policies shall include obtaining carbon credits to promote and minimize the impact of the business operation under the climate change.

Chapter 4 Preserving Public Welfare

Article 18 The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

- I. Presenting a corporate policy or statement on human rights.
- II. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.

III. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.

IV. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.

Article 19 The Company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 20 The Company is advised to provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents. It is also advisable to implement regular safety and health education training for employees.

Article 21 The Company is encouraged to create a conducive environment for the development of its employees' careers and establish effective training programs to foster career skills. The Company shall establish and implement the employee welfare measures (including the base salary, paid vacation leaves, and all other benefits). Moreover, the Company shall also appropriately reflect the business performance or achievements in the compensation of employee, to ensure the recruitment, retention, and encouragement in human resources. With such measures, the Company is working towards the objectives of sustainable operations.

Article 22 The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions. At the same time, the Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and

hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives. The Company shall, by reasonable means, also inform employees of operation changes that might have material impacts.

Article 22-1 The Company shall choose a fair and reasonable approach to its customers or consumers, taking into account the characteristics of the products or services it provides and the industry in which it operates, and shall formulate implementation strategies and specific implementation measures.

Article 23 The Company shall take responsibility for their products and services, and take marketing ethics seriously. In the process of procurement, production, operations, and services, the Company shall ensure the transparency and safety of their products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24 The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.

The Company shall follow relevant laws, regulations, and international guidelines for its customers' health and safety as well as privacy, when marketing or labeling their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25 The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26 The Company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.

The Company shall establish the relevant policies of supplier management, which shall request its suppliers to comply with the relevant regulations in terms of the issues of environmental protection, occupational safety and health, and labor rights. Prior to engaging in commercial dealings, the Company is encouraged to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When the Company enter into a contract with any of its major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 27 The Company shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The Company is advised to, through equity investment, commercial activities, physical endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter 5 Enhancing Disclosure of Sustainable Development Information

Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/TPEX listed Companies and shall fully disclose relevant and reliable information relating to their sustainable development initiatives to improve information transparency.

Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing sustainability reports, to disclose the status of their implementation of the sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports.

Chapter 6 Supplementary Provisions

Article 30 The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve their established sustainable development framework and to obtain better results from the promotion of the sustainable development policy.

Article 31 These regulations and amendment hereof shall be put into enforcement after being resolved in the board meeting and reported to the shareholders' meeting.

Article 32 This amendment was made on March 25, 2022.

Appendix VII

Kindom Development Corp. Shareholdings of All Directors

In accordance with Subparagraph 5, Paragraph 1, Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies": where the paid-in capital of the company is more than NT\$4 billion but NT\$10 billion or less, the total registered shares owned by all directors shall not be less than four percent of the total issued shares. However, if the total shareholding of all directors is less than the maximum shareholding immediately preceding the given subparagraph, the maximum shareholding under that preceding subparagraph shall be applicable.

if a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the Rules for all directors, other than the independent directors, shall be decreased by 20 percent.

Base Date: April 21, 2023

Title	Name	Shareholding When Elected	Shareholding by Book Closure	Remarks
Chairman	Yu-De Investment Co. Legal Representative: Chih-Kang, Ma	105,935,137	105,935,137	Date Elected: 2022.6.29
Director	Yu-De Investment Co. Legal Representative: Mei-Chu, Liu	105,935,137	105,935,137	Date Elected: 2022.6.29
Director	Yu-De Investment Co. Representative: Sui- Chang, Liang	105,935,137	105,935,137	Date Elected: 2022.6.29
Director	Yu-De Investment Co. Legal Representative: Chen-Tan, He	105,935,137	105,935,137	Date Elected: 2022.6.29
Director	Yu-De Investment Co. Legal Representative: Sheng-An, Chang	105,935,137	105,935,137	Date Elected: 2022.6.29
Director	Yu-De Investment Co. Legal Representative: Chang-Rong, Hsieh	105,935,137	105,935,137	Date Elected: 2022.6.29
Independent Director	Hung-Chin, Huang	0	0	Date Elected: 2022.6.29
Independent Director	Shen-Yu, Kung	0	0	Date Elected: 2022.6.29
Independent Director	Kuo-Feng, Lin	0	0	Date Elected: 2022.6.29
The total number of shares held by all the directors of Kindom Development Co., Ltd.		105,935,137	105,935,137	

Notes:

Total shares issued as of June 29, 2022: 554,170,100 shares.

Total shares issued as of April 21, 2023: 554,170,100 shares.

Under the relevant regulations of the R.O.C., Kindom's Directors are required to hold shares, in aggregate, not less than 17,733,443 shares. As of April 21, 2023, Kindom's Directors together held 105,935,137 shares.