

Stock Code: 2520

# Meeting Handbook

## 2024 Annual General Meeting of Shareholders

**Kindom Development Co., LTD.**



**Time: 9:00 a.m., May 30, 2024**

**Location: No. 131, Section 3, Heping E. Rd., Taipei City, Taiwan (1st Floor  
Lobby of the Company)**

**Venue: Physical shareholders meeting**

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# Kindom Development Co., LTD.

## Procedure for 2024 Annual General Meeting of Shareholders

I. Calling the Meeting to Order

II. Chairman's Speech

III. Report Items

IV. Matters of Recognition

V. Extraordinary Motion

VI. Adjournment of the Meeting

# Kindom Development Co., LTD.

## 2024 Annual General Meeting of Shareholders Agenda

Date: 9:00 a.m., May 30 (Thursday), 2024

Location: No. 131, Section 3, Heping E. Rd., Taipei City, Taiwan (1st Floor Lobby of the Company)

Venue: Physical shareholders meeting

### I. Report Items

- (I) The Company's 2023 business report.
- (II) The review report of the audit committee of the company in 2023.
- (III) The report on the distribution of remuneration to employees and directors in 2023.
- (IV) Report on the Company's 2023 distribution of cash dividends.
- (V) Report on the Company's endorsement and guarantee for others.
- (VI) The Company's report on the issuance of domestic secured ordinary corporate bonds in 2023.

### II. Matters of Recognition:

- (I) The Company's 2023 business report and financial statements.
- (II) The Company's 2023 earnings distribution proposal.

### III. Extraordinary Motion

### IV. Adjournment of the Meeting

## I. Reported items

(I) The Company's 2023 business report.

Explanation: For 2023 Business Report, please refer to Attachment I on pages 6-9 of this Handbook.

(II) The Review Report of the Audit Committee of the Company in 2023.

Description: Audit Committee's Review Report, please refer to Attachment II on page 10 of this Handbook.

(III) The report on the distribution of remuneration to employees and directors in 2023.

Explanation: It was resolved in the 17th meeting of the 13th Board of Directors on March 12, 2024 to appropriate NTD 43,166,799 as employee remuneration and NTD 43,166,799 as director remuneration, all of which were paid in cash.

(IV) Report on the Company's 2023 Distribution of Cash Dividends.

Explanation:

I. In accordance with Article 23 of the Company's Articles of Incorporation.

II. The 17th meeting of the 13th term of the Board of Directors resolved on March 12, 2024 to pay 2023 cash dividend of NTD 995,706,180 (based on the outstanding stock of 553,170,100 shares as at about NTD 1.8 per share), the cash dividend distribution amount is calculated rounded down to one NTD. The fractional amount of the distribution less than NTD 1 is included in the Company's other income.

III. The ex-dividend date and the release date of cash dividends shall be determined by the Chairman who is authorized to do so. If the

number of outstanding shares is affected by the adjustment of the competent authority or the repurchase of the Company's shares by the Company, resulting in a change in the ratio of dividends paid to shareholders, the Chairman is authorized to have full power to handle the change.

(V) Report on the Company's endorsement and guarantee for others.

Explanation: As of December 31, 2023, the Company did not provide endorsements/guarantees for others.

(VI) The Company's report on the issuance of domestic secured ordinary corporate bonds in 2023.

Explanation:

I. Upon approval by the Company's Board of Directors on August 11, 2023, the issuance of NTD 1 billion domestic secured ordinary corporate bonds was approved to repay short-term bank borrowings, reduce interest expenses, and strengthen financial structure.

II. The amount of issuance and the main conditions are as follows:

Bond Maturity	Date of issue	Amount of issuance (NTD)	Term	Interest rate (fixed) per annum	Maturity Date	Method of interest payment	Repayment of principal	Guaranteeing bank
2023-1	2023/10/12	1 billion	5 years	1.75%	2028/10/12	Simple interest is calculated once a year and paid once a year	Lump-sum repayment of principal upon maturity	Hua Nan Commercial Bank, Ltd.

## II. Matters of Recognition

Proposal 1, proposed by the Board

Proposal: The Company's 2023 business report and financial statements.

Explanation:

- I. The Company has completed the preparation of the consolidated parent company only balance sheet, comprehensive income statement, statement of changes in equity and cash flow statement for 2023, and audited and certified by CPAs Yi-Lien Han and Kuo-Yang Tseng of KPMG Taiwan. The aforementioned items along with the business report were reviewed by the Audit Committee and submitted to the shareholders' meeting for ratification according to the legal procedures.
- II. For the 2023 Annual Business Report, Independent Auditors' Report and the above financial statements, please refer to Attachment I on pages 6-9 and Attachment 3 on pages 11-30 of this Handbook.
- III. Please ratify.

Resolution:

Proposal 2, proposed by the Board of Directors

Proposal: The Company's 2023 earnings distribution proposal.

Explanation:

- I. The Company's 2023 earnings distribution table has been approved by the Board of Directors and submitted to the Audit Committee for audit. Please refer to Attachment 4 on page 31 of this Handbook.
- II. Please ratify.

Resolution:

## III. Extraordinary Motion

## IV. Adjournment of the Meeting

## **Attachment 1**

### **2023 Business Report**

The construction business, which accounted for nearly 33% of revenue in 2023 by the Company and within the Group for the three major businesses, has been affected by the tightening monetary policy since the central bank raised interest rates in 2022, the amendment of the Equalization of Land Rights Act, and the cooling of the domestic economy in the construction business and it declined by 16%; construction business which accounted for 58% of the revenue has declined by 9% because some projects from external customers were in the early stage; the department store business which accounted for 9% of the revenue benefited from the return of crowds and spending power to the physical store resulting in increased sales of 13%. As a result of the above factors, the consolidated operating revenue declined from NTD 21.506 billion in 2022 to NTD 19.443 billion, with a decrease of 10%. However, due to the effective use of synergy of the Group and the reduction of operating costs, the net profit after tax attributable to the owners of the parent company in 2023 was NTD 2.395 billion, an increase of 3% from the NTD 2.334 billion in 2022; the earnings after tax per share increased slightly from NTD 4.31 to NTD 4.42.

The Construction and Operation Department's major projects of completion, construction or pre-sale include “Kindom Xinyi B”, “Kindom Xinyi C”, “Kindom Xinyi F”, Kindom Anmuju”, “Kindom Dazhi Zhan” and “Kindom Xin Tian Hui”, the total number of saleable units is about 647 units. The construction and operation department's contracted projects from external customers are mainly government transportation construction and factory buildings of listed electronics companies. The total contract amount is about NTD 39.8 billion. The Department Store Operation Department has the all-customer shopping malls, “New Taipei Zhonghe” and “Pingtung” and station-type malls “Nangang Station”, “Banqiao Station”, “Taoyuan A8”, “Linkou A9”, “Xinzuoying Station” and “Taoyuan A19” with a total of eight stores, a total business area of 68,000 pings. In face of lifestyle changes in post-pandemic time, the virtual platform “Global Mall online” was added and combined with the advantages of transit stations, it can provide members with quality shopping services and the overall sales are of steady growth.



In 2023, the international inflation and continuous interest rate increase cycle effect, the domestic short-term mortgage interest rate exceeded 2%, the interest burden gradually emerged, the tightening monetary policy caused the market capital tide to gradually recede, and the overall economic situation was slowing down. The government has successively implemented selective credit control measures for real estate loans, amended the Equalization of Land Rights Act, and house hoarding tax 2.0 and other housing market control policies, which have caused the domestic housing market to cool down. In terms of construction costs, as the cost of land and prices of building materials remain high, and the shortage of labor has not yet been eased, both buyers and sellers in the housing market have maintained a wait-and-see atmosphere. Therefore, the housing market in 2023 has been in a pattern of shrinking volume and price consolidation. The number of houses transferred for sale nationwide was 306,971 buildings, a decrease of 3.5% from the 318,101 buildings in 2022, and the lowest in the past four years. The cooling of the global economy has slowed down the pace of Taiwanese companies' demand for plant expansion, and the new projects of plant construction have been reduced, so the economy of the construction industry has slowed down. The department store industry, on the other hand, is recovering and expanding after the pandemic, showing a strong growth trend. The investment in the development of new regional department stores is very active. Looking into 2024, the interest rate increase cycle is coming to an end and the rate reduction can be expected. The government launched the “New Youth Safe Enrollment Program 2.0” preferential loans, injecting the demand for rigid first-time buyers, and the domestic economic growth rate is expected to get rid of the trough of 2023 and gradually recover. Due to the effect of inflation, real estate is still the most value-preserving investment in the thoughts of domestic consumers, bringing support to the buying market. However, the control policy of the housing market has not yet been loosened. The trend of green buildings and net zero emission environmental protection building materials will increase construction costs, and there is a price gap between buyers and sellers. Therefore, the housing market will show a small increase in volume and stable prices. The construction industry is expected to benefit from the recovery of private investment, record public construction budgets and business opportunities in green projects. Although the cost of materials and materials remain high, the economy of construction will be improved. Department stores have physical shoppers returning after the pandemic. However, the sudden increase in the number of people going overseas may crowd out domestic spending power. They also face competition from the opening of new stores in the same industry.

Upholding the philosophy of “Integrity, Quality, Service, Innovation, and Sustainability”, Kindom Group has integrated buildings, construction, shopping malls, and foundations to form an all-around real estate development team, and continue to devote itself to four pillars of management, namely, “strengthening corporate governance”, “implementing internal control systems”, “Integration of Group resources”, and “Participation in social welfare”. The Construction and Operation Department continues to develop quality projects to accommodate the urban and construction development, and successively won a number of indicator projects, such as “Nangang Power Plant Project”, “Taiwan Railroad E1E2 Project”, “Taipei City Project”, and “Taichung City MRT Green Line G9-1 project” will be developed to combine office, commercial, and residential functions, and will be transformed into an urban complex and lifestyle through urban area management, based on the characteristics and requirements of each project, to enhance differentiation and competitive advantage. The Construction and Operation Department has performed steadily in recent years. Aiming at high-tech and high value-added projects, the trend of bulk raw materials is regularly analyzed, and efficient construction management is used to achieve the goal of on-time, quality, and mutual trust and mutual benefit. The Department Store Department will maintain flexibility in operations and commit to digital development, continue to pursue growth in performance, and provide customers with convenient physical and virtual services through the digital empowerment of stores, and is committed to creating a new trend in life.

The severity of climate change cannot be ignored. In response to the United Nations Climate Change and the national sustainable development policy, under the supervision and guidance of the Group's Sustainable Development Committee, we adhere to the five major sustainability strategy blueprint, “Green Homeland”, “Smart City,” “Happy Homeland,” “Honest Enterprise,” and “Partnership for Innovation,” and gradually realize various projects, including the implementation of greenhouse gas inventory, increasing the use of recycled materials, and research on low-carbon design. In 2023, Kindom Development Corp. also passed the official review of the Science-Based Targets Initiative (SBTi), becoming the first construction company in Taiwan to set a target compliant with the “Paris Agreement” scenario of within 1.5°C of warming. Kindom Development Corp.’s adopts sustainability in its DNA, employees are encouraged to actively participate in a number of environmental care activities such as

tree planting, beach cleaning, and friendly farming. In the future, we will not only aim to obtain 100% of the green building label and carbon footprint certification as our goal, but also hope to invite local community residents to participate in and protect this land together.

As we enter Kindom Development Corp.'s 45th anniversary, the Company has inherited the founder's philosophy of promoting reading and caring for the disadvantaged in the local area, and realized low-carbon construction through recycling and smart energy-saving technologies and materials to build a sustainable city and improve the quality of life for residents. We are committed to achieving the goal of becoming a "leading brand of all-round real estate developers," and working with upstream and downstream suppliers, customers, and employees to realize the vision of "implementing ESG, building a sustainable city, and delivering the value of happy life."

Chairman: Chih-Kang Ma Manager: Chang-Jung Hsieh, Sheng-An Chang, Accounting Supervisor: Shu-Lian Chang

## **Attachment 2**

### **Review Report of Audit Committee of Kindom Development Co., LTD.**

For your approval

The Company's 2023 financial statements prepared by the Board of Directors and audited by CPAs Yi-Lien Han and Kuo-Yin Tseng of KPMG Taiwan, along with the Business Report and the Earnings Distribution Table, were reviewed by the Audit Committee and found no discrepancy. The report was prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:

2024 Shareholders Annual General Meeting of Kindom Development Co., LTD.

Audit Committee Convener: Hung-Chin Huang

March 12, 2024

## Attachment 3

### Independent Auditors' Report

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

#### Audit Opinions

We have reviewed the accompanying Consolidated Statement of Financial Position of Kindom Development Co., LTD. and subsidiaries (hereinafter referred to as “the Group”) as of December 31, 2023 and 2022, and the related Consolidated Statement of Comprehensive Income, of Consolidated Statement of Changes in Equity and of Consolidated Statement of Cash Flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, its consolidated financial performance and cash flows for the years then ended in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRICs) and SIC Interpretations (SICs) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### Basis for the audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Auditing Standards in the Republic of China. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We comply with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and are independent of the Group. We have also 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 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that we have determined to be communicated on the audit report are as follows:

##### I. Recognition of revenue from sales of buildings and land

Regarding the accounting policy for the recognition of revenue, please refer to the consolidated financial statements Note 4(17); for the details of the revenue recognition, please refer to Note 6(23) Revenue from Contracts with Customers of the consolidated financial statements.

#### Description of Key Audit Matters:

The Group is a real estate construction and development industry, and its real estate sales revenue is recognized when the ownership of the real estate is transferred and the actual delivery is completed. Because the construction industry sells buildings and land to a wide range of people, it is necessary to review the ownership transfer and delivery information before revenue recognition can be recognized. A lot of manual work are usually involved to determine the correct timing for the recognition of revenue from sales of buildings and land. Therefore, the recognition of revenue is one of the important assessment matters when we perform the audit of the Group's financial statements.

The corresponding audit procedures:

Our audit procedures for the key audit matters above include:

- Understand the control mechanism of the income from sales of property and cash collection process, and test the effectiveness of the design and implementation of the internal control system for income.
- Perform substantive tests and spot checks on sales contracts, real estate ownership transfer documents, and house delivery certificates, and check sales data against general ledger details.
- The sales transactions in the period before and after the financial reporting date are tested and the relevant documents are checked to assess whether the timing of revenue recognition is appropriate.

## II. Construction contracts

For the accounting policies of the construction contracts, please refer to the consolidated financial statements Note 4(17) for the recognition of revenue; for the accounting estimates and assumptions of the estimated total contract cost assessment of the construction contracts, please refer to Note 5(I) to the consolidated financial statements; For an explanation on revenue recognition, please refer to the revenue from contracts with customers in Note 6(23) of the consolidated financial statements.

#### Description of Key Audit Matters:

The estimated total cost of a construction contract requires a high level of judgment by the management. The Group uses the percentage of completion method to recognize the construction income and cost, and the degree of completion is based on the cost incurred as a percentage of the estimated total cost as of the financial reporting date. The measurement of the degree of completion may result in a significant difference between the timing of profit and loss recognition and the current financial statements.

The corresponding audit procedures:

Our audit procedures for the key audit matters above include:

- Understand the internal operating procedures for the estimated total cost evaluation, and randomly check the estimated total cost of major projects to ensure the consistency between the evaluation process and the internal operating procedures.
- For the projects with the estimated total cost of major additions and revisions in the current period, random check the estimated total cost approved by the project management department, including the supporting documents of the additional or subtracted projects in the current period and major projects with pricing.
- Obtain the details of the costs and expenses of the current period, and implement the relevant verification procedures, including checking the amount of costs of the current period incurred to the relevant document slips, to confirm that the input costs of the current period have been properly booked.

## III. Inventory valuation

For the accounting policy of inventory valuation, please refer to Note 4(8) Inventory of the consolidated financial statements; for the accounting estimates of inventory valuation and the uncertainty of assumptions, please refer to Note 5(2) of the consolidated financial statements; for the description of inventory items, please refer to the consolidated financial statements Note 6(5) Inventories.

#### Description of Key Audit Matters:

Inventory of the Group is an important asset in the operation of the Group, and its amount accounts for 44% of the total assets. The valuation of inventory is processed in accordance with IAS No. 2. Improper evaluation of net realizable value may result in misstatement in the financial statements, therefore, the inventory valuation test is one of the important evaluation matters in the audit of the financial statements of the Group performed by the CPAs.

The corresponding audit procedures:

- Understand the internal operating procedures and accounting treatment of the subsequent measurement of inventories and the accounting treatment of the Group, and obtain the evaluation data of the net realizable value of the inventories on the financial reporting date, and examine the market price of the aforementioned data, and compares with the latest successful transactions, the contract prices of the Group's latest sales, or the actual real estate price registered with the Ministry of the Interior; or, obtains the investment return analysis statement for each case, and checks and calculates the net realizable value of the inventories to see if they are appropriate.

#### Other matters

The parent company only financial statements of 2023 and 2022 have been prepared by KINDOM DEVELOPMENT CO., LTD., for which we have issued an unqualified opinion.

#### **Responsibilities of the management and the governing body for the consolidated financial statements**

Management is responsible for the preparation and fair representation of the consolidated financial statements in accordance with IFRS, IAS, IFRICs and SICs endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of the Group in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease the operations without other viable alternatives.

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

#### **Auditors' Responsibilities for Auditing the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance. However, the audit conducted in accordance with the R.O.C. Standards on Auditing cannot guarantee that material misstatements in the consolidated financial statements will be detected. Misstatements can arise from fraud or error. If the individual amounts or the total number of misstatements can be reasonably expected to affect the economic decisions made by the users of the consolidated financial statements, the misstatements are considered material.

We exercise professional judgment and professional skepticism during an audit in accordance with the R.O.C. Standard on Auditing. We also perform the following tasks:

1. Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error; design and execute appropriate countermeasures for the risks assessed; and obtain sufficient and appropriate audit evidences as the basis for the audit opinions. Because fraud may involve collusion, forgery, intentional omission, misrepresentation or violation of internal control, it is not detected that the risk of material misstatement resulting from fraud is higher than that resulting from error.

2. Obtain the necessary understanding of the internal control related to the audit in order to design appropriate audit procedures under the circumstances, but the purpose is not to express an opinion on the effectiveness of the internal control of the Group.
3. Evaluate the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and related disclosures made.
4. Based on the audit evidence obtained, make a conclusion on the appropriateness of the management's adoption of the accounting basis for continuing operations, and whether there are significant uncertainties in the events or conditions that may cause significant doubts about the ability of Group to continue to operate. If we are of the opinion that there is a material uncertainty of such events or circumstances, we shall in the audit report remind the users of the consolidated financial statement to pay attention to the related disclosures in the consolidated financial statement, or modify our audit opinion when such disclosures are inappropriate. Our conclusion is based on the audit evidence obtained up to the date of the audit 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 statement (including relevant notes), and whether the consolidated financial statement presents the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and performing the audit of the Group and forming an audit opinion for the Group.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2023 consolidated financial statements of the Group and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

Yi-Lian Han

Certified  
Public

Accountant:

Kuo -Yang Tseng

Approval  
reference  
number of the  
securities  
authority  
March 12, 2024

Jin-Guan-Zheng-Shen-Zi No.  
1090332798  
Jin-Guan-Zheng-Liu No.  
0940129108



**Kindom Development Co., LTD. and Subsidiaries**

**Consolidated Balance Sheet**

**December 31, 2023 and 2022**

**Unit: NTD thousand**

Assets		2023.12.31		2022.12.31	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (Note 6(1) and (26))	\$ 14,178,534	25	15,522,920	28
1110	Financial assets at fair value through profit or loss - current (Note 6(2) and (26))	117,984	-	97,466	-
1140	Contract assets - current (Note 6(23))	2,996,809	5	1,675,939	3
1170	Notes and accounts receivable, net (Note 6(4), (23), and (26))	1,124,565	2	2,149,847	4
1220	Current income tax assets	217	-	48	-
1300	Inventories - trading (Note 6(5))	9,166	-	12,977	-
1320	Inventories (for the construction industry) (Note 6(5) and 8)	25,316,121	44	21,094,871	38
1410	Prepayments	251,314	-	199,044	-
1476	Other financial assets - current (Note 6(12), (23), (26), 7 and 8)	2,504,580	5	3,675,772	7
1479	Other current assets - others	44,337	-	80,582	-
1480	Incremental cost of obtaining contracts - current (Note 6(12))	33,295	-	9,978	-
		46,576,922	81	44,519,444	80
Non-current assets:					
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(3) and (26))	35,673	-	12,509	-
1550	Investment under equity method (Note 6(6))	1,143,545	2	1,136,118	2
1600	Property, plant and equipment (Note 6(8) and 8)	6,213,844	11	6,379,227	11
1755	Right-of-use assets (Note 6(9))	2,905,154	5	3,098,436	6
1760	Investment property (Note 6(10) and 8)	458,173	1	462,365	1
1780	Intangible assets (Note 6(11))	53,119	-	53,874	-
1840	Deferred income tax assets (Note 6(20))	55,397	-	57,161	-
1975	Net defined benefit assets - non-current (Note 6(19))	7,016	-	5,820	-
1980	Other financial assets - non-current (Note 6(26) and 8)	63,039	-	73,566	-
1995	Other non-current assets - others	52,744	-	64,337	-
		10,987,704	19	11,343,413	20
Total assets		\$ 57,564,626	100	55,862,857	100

Liabilities and equity		2023.12.31		2022.12.31	
		Amount	%	Amount	%
Current liabilities:					
2100	Short-term borrowings (Note 6(14) and (26))	\$ 15,181,178	26	15,025,856	27
2110	Short-term bills payable (Note 6(13) and (26))	30,000	-	-	-
2130	Contract liabilities - current (Note 6(23))	3,249,651	6	2,045,805	4
2150	Notes payable (Note 6(26))	299,864	1	392,662	1
2170	Accounts payable (Note 6(26))	6,028,647	11	5,955,906	11
2200	Other payables (Note 6(26) and 7)	1,022,535	2	908,607	2
2230	Current income tax liabilities	653,287	1	652,771	1
2250	Provision - current (Note 6(17))	181,670	-	183,236	-
2251	Provision for employee benefits - current (Note 6(19))	17,054	-	20,174	-
2280	Lease liabilities - current (Note 6(16) and (26))	201,443	-	191,062	-
2321	Corporate bonds maturing within one year or one operating cycle or for which the redemption rights are exercised (Note 6(15) and (26))	1,000,000	2	2,000,000	3
2322	Long-term borrowings due within one year or one operating cycle (Note 6(14) and (26))	204,640	-	204,640	-
2399	Other current liabilities - others (Note 6(26))	183,192	-	40,786	-
		28,253,161	49	27,621,505	49
Non-current liabilities:					
2530	Corporate bonds payable (Note 6(15) and (26))	2,000,000	3	2,000,000	3
2540	Long-term borrowings (Note 6(14) and (26))	933,560	2	1,438,200	3
2573	Deferred income tax liabilities - others (Note 6(20))	825	-	921	-
2580	Lease liabilities - non-current (Note 6(16) and (26))	2,941,468	5	3,123,422	6
2640	Net defined benefit liabilities - non-current (Note 6(19))	-	-	821	-
2645	Guarantee deposits received (Note 6(26))	95,271	-	96,204	-
2670	Other non-current liabilities - others (Note 6(26))	-	-	16,336	-
		5,971,124	10	6,675,904	12
		34,224,285	59	34,297,409	61
Total liabilities					
Equity attributable to owners of the parent company (Note 6(21)):					
3100	Share capital	5,541,701	10	5,541,701	10
3200	Capital reserve	1,472,401	3	1,451,569	3
3300	Retained earnings	13,074,843	22	11,648,455	20
3400	Other equity	(28,435)	-	(26,544)	-
3500	Treasury stock	(98,702)	-	(98,702)	-
		19,961,808	35	18,516,479	33
36XX	Non-controlling interests (Note 6(7))	3,378,533	6	3,048,969	6
		23,340,341	41	21,565,448	39
Total equity		\$ 57,564,626	100	55,862,857	100
Total liabilities and equity		\$ 57,564,626	100	55,862,857	100

**Kindom Development Co., LTD. and Subsidiaries**  
**Consolidated Statement of Comprehensive Income**  
**January 1 to December 31, 2023 and 2022**

Unit: NTD thousand

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(18) and (23))	\$ 19,442,501	100	21,506,102	100
5000	Operating cost (Note 6(5) and (19))	13,571,128	70	15,582,332	72
	Gross operating profit	5,871,373	30	5,923,770	28
	Operating expenses:				
6100	Sales and marketing expenses (Note 6(19))	163,646	1	219,758	1
6200	Administrative expenses (Note 6(19) and (24))	1,775,249	9	1,677,024	8
6450	Expected credit impairment loss (gain) (Note 6(4))	243	-	(1,396)	-
		1,939,138	10	1,895,386	9
	Net operating profit	3,932,235	20	4,028,384	19
	Non-operating income and expenses:				
7100	Interest revenue (Note 6(25))	147,139	1	71,821	-
7010	Other income (Note 6(25))	4,630	-	7,330	-
7020	Other gains and losses (Note 6(25))	2,200	-	34,244	-
7050	Financial costs (Note 6(25))	(268,110)	(1)	(302,865)	(1)
7060	Share of profit or loss of affiliated companies and joint ventures under equity method (Note 6(6))	9,021	-	998	-
		(105,120)	-	(188,472)	(1)
	Net income before tax from continuing operations	3,827,115	20	3,839,912	18
7950	Less: Income tax expenses (Note 6(20))	759,690	4	710,215	3
	Net income for the period	3,067,425	16	3,129,697	15
8300	Other comprehensive income:				
8310	Items not reclassified into profit or loss				
8311	Remeasurement of defined benefit plan	1,428	-	4,792	-
8316	Unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive income	(2,112)	-	45	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operations	(4)	-	189	-
8300	Other comprehensive income for the period (net amount after tax)	(688)	-	5,026	-
	Total comprehensive income for the period	<u>\$ 3,066,737</u>	<u>16</u>	<u>3,134,723</u>	<u>15</u>
	Net profit for the period attributable to:				
8610	Owner of the parent company	\$ 2,395,148	13	2,333,896	11
8620	Non-controlling interests	672,277	3	795,801	4
		<u>\$ 3,067,425</u>	<u>16</u>	<u>3,129,697</u>	<u>15</u>
	Total comprehensive income attributable to:				
8710	Owner of the parent company	\$ 2,394,295	12	2,337,004	11
8720	Non-controlling interests	672,442	4	797,719	4
		<u>\$ 3,066,737</u>	<u>16</u>	<u>3,134,723</u>	<u>15</u>
9750	Basic earnings per share (NTD) (Note 6(22))	<u>\$ 4.42</u>		<u>4.31</u>	
9850	Diluted earnings per share (NTD) (Note 6(22))	<u>\$ 4.41</u>		<u>4.29</u>	

(Please refer to the attached Notes to the Consolidated Financial Statements)

**Chairman:**  
**Chih-Kang Ma**

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

**Accounting supervisor:**  
**Shu-Lian Chang**

**Kindom Development Co., LTD. and Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**January 1 to December 31, 2023 and 2022**

**Unit: NTD thousand**

	Equity attributable to owners of the parent company											
	Share capital	Retained earnings					Other equity		Treasury stock	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
							Exchange differences on translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income				
	Common stock capital	Capital reserve	Legal reserve	Special reserves	Undistributed earnings	Total						
<b>Balance as of January 1, 2022</b>	\$ 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 for the period	-	-	-	-	2,333,896	2,333,896	-	-	-	2,333,896	795,801	3,129,697
Other comprehensive income in the current period	-	-	-	-	2,925	2,925	159	24	-	3,108	1,918	5,026
Total comprehensive income for the period	-	-	-	-	2,336,821	2,336,821	159	24	-	2,337,004	797,719	3,134,723
Appropriation and distribution of earnings:												
Provision for legal reserve	-	-	350,701	-	(350,701)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,120)	1,120	-	-	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(1,385,425)	(1,385,425)	-	-	-	(1,385,425)	-	(1,385,425)
Changes in affiliates and joint ventures accounted for using the equity method	-	(216)	-	-	-	-	-	-	-	(216)	(333)	(549)
Repurchase of treasury shares	-	-	-	-	-	-	-	-	(27,506)	(27,506)	-	(27,506)
Dividend paid to subsidiaries to adjust capital reserve	-	29,227	-	-	-	-	-	-	-	29,227	-	29,227
Overdue dividends not received	-	634	-	-	-	-	-	-	-	634	93	727
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	-	(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
Net income for the period	-	-	-	-	2,395,148	2,395,148	-	-	-	2,395,148	672,277	3,067,425
Other comprehensive income in the current period	-	-	-	-	1,038	1,038	(3)	(1,888)	-	(853)	165	(688)
Total comprehensive income for the period	-	-	-	-	2,396,186	2,396,186	(3)	(1,888)	-	2,394,295	672,442	3,066,737
Appropriation and distribution of earnings:												
Provision for legal reserve	-	-	233,682	-	(233,682)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(183)	183	-	-	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(969,798)	(969,798)	-	-	-	(969,798)	-	(969,798)
Dividend paid to subsidiaries to adjust capital reserve	-	20,496	-	-	-	-	-	-	-	20,496	-	20,496
Overdue dividends not received	-	336	-	-	-	-	-	-	-	336	62	398
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	-	(342,940)	(342,940)
<b>Balance as of December 31, 2023</b>	<b>\$ 5,541,701</b>	<b>1,472,401</b>	<b>2,736,352</b>	<b>26,544</b>	<b>10,311,947</b>	<b>13,074,843</b>	<b>(29,496)</b>	<b>1,061</b>	<b>(98,702)</b>	<b>19,961,808</b>	<b>3,378,533</b>	<b>23,340,341</b>

(Please refer to the attached Notes to the Consolidated Financial Statements)

**Chairman: Chih-Kang Ma**

**Manager: Chang-Jung Hsieh**  
**Sheng-An Chang**

**Accounting supervisor: Shu-Lian Chang**

**Kindom Development Co., LTD. and Subsidiaries**

**Consolidated Statement of Cash Flows**

**January 1 to December 31, 2023 and 2022**

**Unit: NTD thousand**

	<b>2023</b>	<b>2022</b>
<b>Cash flow from operating activities:</b>		
Net income before tax for the current period	\$ 3,827,115	3,839,912
<b>Adjustments:</b>		
Income and expenses		
Depreciation expense	441,058	416,556
Amortization expense	27,872	10,690
Expected credit impairment loss (reversal gain)	243	(1,396)
Net (gain) loss on financial assets and liabilities measured at fair value through profit or loss	(20,350)	27,134
Interest expense	268,110	302,865
Interest revenue	(147,139)	(71,821)
Dividend income	(4,630)	(7,330)
Share of income from affiliated companies and joint ventures accounted for using the equity method	(9,021)	(998)
Losses from disposal of property, plant and equipment	318	-
Impairment loss	1,000	300
Total income and expense	<u>557,461</u>	<u>676,000</u>
<b>Changes in operating assets/liabilities:</b>		
Net changes in assets related to operating activities:		
Increase of financial assets measured at fair value through profit or loss	(168)	-
Decrease (increase) of contract assets	(1,320,870)	299,837
Decrease (increase) of notes and accounts receivable	1,044,139	(895,338)
Decrease (increase) in inventory	(3,982,283)	280,504
Increase in prepayments	(62,531)	(75,666)
Decrease (increase) of other current assets	36,245	(10,543)
Decrease (increase) of other financial assets - current	1,171,958	(1,367,885)
Decrease (increase) of incremental cost of obtaining a contract	(23,317)	40,919
Increase in net defined benefit assets - non-current	(1,127)	(3,382)
Increase of other non-current assets	-	(41)
Total net changes in assets related to operating activities	<u>(3,137,954)</u>	<u>(1,731,595)</u>
Net changes in liabilities related to operating activities:		
Increase in contract liabilities	1,203,846	437,149
Increase (decrease) of notes payable	(92,798)	65,513
Increase in accounts payable	72,741	226,436
Increase of other payables	114,642	44,439
Decrease of employee benefit liabilities - current	(3,120)	(1,733)
Debt reserve - current (decrease) increase	(1,566)	1,610
Increase (decrease) of other current liabilities	142,406	(42,835)
Increase in net defined benefit liabilities	538	2,678
Decrease in other non-current liabilities	(16,336)	(16,336)
Total net changes in liabilities related to operating activities	<u>1,420,353</u>	<u>716,921</u>
Total net changes in assets and liabilities related to operating activities	<u>(1,717,601)</u>	<u>(1,014,674)</u>
Total adjustment items	<u>(1,160,140)</u>	<u>(338,674)</u>
Cash inflow from operations	2,666,975	3,501,238
Income tax paid	<u>(757,675)</u>	<u>(740,057)</u>
<b>Net cash inflow from operating activities</b>	<u>1,909,300</u>	<u>2,761,181</u>

Kindom Development Co., LTD. and Subsidiaries  
Consolidated Statement of Cash Flows (Continued)  
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	<u>2023</u>	<u>2022</u>
<b>Cash flow from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(25,276)	-
Acquisition of investments under equity method	-	(1,120,000)
Acquisition of property, plant and equipment	(56,953)	(135,490)
Disposal of property, plant and equipment	1,867	-
Acquisition of intangible assets	(19,571)	(10,070)
Decrease of other financial assets - non-current	10,527	5,576
Increase (decrease) of other non-current assets	5,484	(11,851)
Interest received	147,967	67,518
Dividends received	4,630	7,330
Other investment activities	-	(549)
<b>Net cash inflows (outflows) from investing activities</b>	<u>68,675</u>	<u>(1,197,536)</u>
<b>Cash flow from financing activities:</b>		
Increase in short-term borrowings	9,178,010	5,087,369
Decrease in short-term borrowings	(9,022,688)	(4,541,238)
Increase in short-term notes payable	1,342,000	110,000
Decrease in short-term notes payable	(1,312,000)	(110,000)
Issuance of corporate bonds	1,000,000	-
Repayment of corporate bonds	(2,000,000)	-
Borrowing of long-term loans	-	5,000
Repayment of long-term borrowings	(504,640)	(479,400)
Increase in guarantee deposits received	(933)	(1,610)
Lease principal repayment	(198,849)	(177,345)
Distribution of cash dividends	(949,302)	(1,356,198)
Cost of repurchase of treasury shares	-	(27,506)
Interest paid	(511,015)	(449,166)
Changes in non-controlling interests	(342,940)	(181,382)
<b>Net cash outflow from financing activities</b>	<u>(3,322,357)</u>	<u>(2,121,476)</u>
Effect of exchange rate changes on cash and cash equivalents	(4)	189
Decrease in cash and cash equivalents in current period	(1,344,386)	(557,642)
Opening balance of cash and cash equivalents	15,522,920	16,080,562
Closing balance of cash and cash equivalents	<u><u>\$ 14,178,534</u></u>	<u><u>15,522,920</u></u>

## **Independent Auditors' Report**

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

### **Audit Opinions**

We have reviewed the accompanying Statement of Financial Position of Kindom Development Co., Ltd. (the "Company") as of December 31, 2023 and 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of Kindom Development Co., Ltd. as of December 31, 2023 and 2022, its financial performance and cash flows for the years then ended.

### **Basis for the audit opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Auditing Standards in the Republic of China. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We comply with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and are independent of Kindom Development Co., Ltd.. We have also 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 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that we have determined to be communicated on the audit report are as follows:

#### **I. Revenue recognition**

For the accounting policy of revenue recognition, please refer to parent company only financial statement Note 4(15) Revenue recognition; for details of revenue recognition, please refer to parent company only financial statement Note 6(21) Revenue from contracts with customers.

#### Description of Key Audit Matters:

Kindom Development Co., Ltd. is a real estate construction and development industry, and its real estate sales revenue is recognized when the ownership of the real estate is transferred and the actual delivery is completed. Because the construction industry sells buildings and land to a wide range of people, it is necessary to review the ownership transfer and delivery information before revenue recognition can be recognized. A lot of manual work are usually involved to determine the correct timing for the recognition of revenue from sales of buildings and land. Therefore, the recognition of revenue is one of the important assessment matters when we perform the audit of the Company's financial statements.

The corresponding audit procedures:

Our audit procedures for the key audit matters above include:

- Understand the control mechanism of the income from sales of property and cash collection process, and test the effectiveness of the design and implementation of the internal control system for income.
- Perform substantive tests and spot checks on sales contracts, real estate ownership transfer documents, and house delivery certificates, and check sales data against general ledger details.
- The sales transactions in the period before and after the financial reporting date are tested and the relevant documents are checked to assess whether the timing of revenue recognition is appropriate.

## II. Inventory valuation

For the accounting policy of the inventory valuation, please refer to the parent company only financial statement Note 4(7) Inventory; for the accounting estimates of the inventory valuation and the uncertainty assumed, please refer to the parent company only financial statement Note 6(5).

#### Description of Key Audit Matters:

Inventory of the Company is an important asset in the operation of the Company, and its amount accounts for 61% of the total assets. The valuation of inventory is processed in accordance with IAS No. 2. Improper evaluation of net realizable value may result in misstatement in the financial statements, therefore, the inventory valuation test is one of the important evaluation matters in the audit of the financial statements of the Company performed by the CPAs.

The corresponding audit procedures:

Understand the internal operating procedures and accounting treatment of the subsequent measurement of inventories and the accounting treatment of the Company, and obtain the evaluation data of the net realizable value of the inventories on the financial reporting date, and examine the market price of the aforementioned data, and compares with the latest successful transactions, the contract prices of the Company's latest sales, or the actual real estate price registered with the Ministry of the Interior; or, obtains the investment return analysis statement

for each case, and checks and calculates the net realizable value of the inventories to see if they are appropriate.



## **Responsibilities of the management level and the governing body for the parent company only financial statements**

The responsibility of the management is to prepare the appropriate parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain the necessary internal control related to the preparation of the parent company only financial statements to ensure that the parent company only financial statements are free of significant misrepresentation.

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

The governing body of the Company (including the Audit Committee) is responsible for supervising the financial reporting process.

## **Auditors' Responsibilities for Auditing the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance. However, the audit conducted in accordance with the R.O.C. Standards on Auditing cannot guarantee that material misstatements in the parent company only financial statements will be detected. Misstatements can arise from fraud or error. If the individual amounts or the total number of misstatements can be reasonably expected to affect the economic decisions made by the users of the parent company only financial statements, the misstatements are considered material.

We exercise professional judgment and professional skepticism during an audit in accordance with the R.O.C. Standard on Auditing. We also perform the following tasks:

1. Identify and assess the risks of material misstatement in the parent company only financial statements, whether due to fraud or error; design and execute appropriate countermeasures for the risks assessed; and obtain sufficient and appropriate audit evidence as the basis for the audit opinions. Because fraud may involve collusion, forgery, intentional omission, misrepresentation or violation of internal control, it is not detected that the risk of material misstatement resulting from fraud is higher than that resulting from error.
2. Obtain the necessary understanding of the internal control related to the audit in order to design appropriate audit procedures under the circumstances, but the purpose is not to express an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and related disclosures made.

4. Conclude on the appropriateness of the management's adoption of the going concern basis of accounting, based on the audit evidence obtained, and whether a material uncertainty exists for events or conditions that may cast significant doubt on the Company's ability to continue as a going concern . If we are of the opinion that there is a material uncertainty of such events or circumstances, we shall in the audit report remind the users of the parent company only financial statement to pay attention to the related disclosures in the parent company only financial statement, or modify our audit opinion when such disclosures are inappropriate. Our conclusion is based on the audit evidence obtained up to the date of the audit 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 statement (including relevant notes), and whether the parent company only financial statement presents the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of the investee under equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statement for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

Yi-Lian Han

Certified

Public

Accountant:

Kuo-Cheng Tseng

Approval	Jin-Guan-Zheng-Shen-Zi No.
reference	: 1090332798
number of the	Jin-Guan-Zheng-Liu No.
securities	0940129108
authority	
March 12, 2024	

Kindom Development Co., Ltd.  
Statement of Financial Position  
December 31, 2023 and 2022

Unit: NTD thousand

Assets		2023.12.31		2022.12.31						2023.12.31		2022.12.31	
		Amount	%	Amount	%					Amount	%	Amount	%
Current assets:													
1100	Cash and cash equivalents (Note 6(1) and (24))	\$ 6,708,614	16	8,563,299	22								
1110	Financial assets at fair value through profit or loss - current (Note 6(2) and (24))	41,084	-	33,995	-	2100	Short-term borrowings (Notes (13) and (24))	\$	15,081,178	37	14,540,856	38	
1141	Contract assets - current (Note 6(21))	227,954	1	50,864	-	2110	Short-term bills payable (Note 6(12) and (24))		30,000	-	-	-	
1170	Notes and accounts receivable, net (Note 6(4), (21), (24), and 7)	3,602	-	117,096	-	2130	Contract liabilities - current (Note 6(21))		1,102,830	3	408,379	1	
1320	Inventories (for the construction industry) (Note 6(5) and 8)	25,169,165	61	21,099,622	54	2150	Notes payable (Note 6(24))		39,300	-	49,304	-	
1410	Prepayments	30,338	-	46,973	-	2160	Notes payable - related parties (Note 6(24) and 7)		293,293	1	155,777	-	
1476	Other financial assets - current (Note 6(11), (21), (24), and 8)	961,433	3	1,629,826	5	2170	Accounts payable (Note 6(24))		371,784	1	393,731	1	
1479	Other current assets - others	6,715	-	22,520	-	2181	Accounts payable - Related parties (Note 6(24) and 7)		551,864	1	464,346	2	
1480	Incremental cost of obtaining contracts - current (Note 6(11))	33,295	-	9,978	-	2200	Other payables (Note 6(24))		241,462	1	150,838	-	
		33,182,200	81	31,574,173	81	2230	Current income tax liabilities		277,401	1	347,513	1	
						2251	Provision for employee benefits - current (Note 6(17))		2,040	-	3,141	-	
Non-current assets:						2280	Lease liabilities - current (Note 6(15) and (24))		6,460	-	5,142	-	
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(3) and (24))	28,109	-	4,605	-	2321	Corporate bonds maturing within one year or one operating cycle or with resale rights exercised (Note 6(14) and (24))		1,000,000	2	2,000,000	5	
1550	Investment under equity method (Note 6(6) and 8)	7,179,895	17	6,753,603	17	2399	Other current liabilities - Other		143,782	-	15,240	-	
1600	Property, plant and equipment (Note 6(7) and 8)	279,050	1	283,330	1				19,141,394	47	18,534,267	48	
1755	Right-of-use assets (Note 6(8))	6,318	-	5,116	-		Non-current liabilities:						
1760	Investment property (Note 6(9), (16), and 8)	458,173	1	462,365	1	2530	Corporate bonds payable (Note 6(14) and (24))		2,000,000	5	2,000,000	5	
1780	Intangible assets (Note 6(10))	134	-	-	-	2640	Net defined benefit liabilities - non-current (Note 6(17))		-	-	821	-	
1915	Prepaid equipment payment	-	-	2,036	-	2645	Guarantee deposits received (Note 6(24))		1,742	-	4,742	-	
1975	Net defined benefit assets - non-current (Note 6(17))	69	-	-	-	2670	Other non-current liabilities - Other		29,004	-	28,919	-	
		7,951,748	19	7,511,055	19				2,030,746	5	2,034,482	5	
							Total liabilities		21,172,140	52	20,568,749	53	
							Equity (Note 6(19)):						
						3100	Share capital		5,541,701	13	5,541,701	14	
						3200	Capital reserve		1,472,401	3	1,451,569	3	
						3300	Retained earnings		13,074,843	32	11,648,455	30	
						3400	Other equity		(28,435)	-	(26,544)	-	
						3500	Treasury stock		(98,702)	-	(98,702)	-	
							Total equity		19,961,808	48	18,516,479	47	
							Total liabilities and equity		\$ 41,133,948	100	39,085,228	100	
Total assets		\$ 41,133,948	100	39,085,228	100								

(Please refer to the attached Notes to the parent company only financial statements)

Chairman: Chih-Kang Ma

Manager: Chang-Jung Hsieh  
Sheng-An Chang

Accounting supervisor: Shu-Lian Chang

**Kindom Development Co., Ltd.**  
**Statement of Comprehensive Income**  
**January 1 to December 31, 2023 and 2022**

**Unit: NTD thousand**

		<b>2023</b>		<b>2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (Note 6(16) and (21))</b>	\$ 6,474,705	100	7,664,805	100
5000	<b>Operating cost (Note 6(5))</b>	3,725,895	58	4,910,864	64
	<b>Gross operating profit</b>	2,748,810	42	2,753,941	36
5920	Less: Realized profit or loss from sales	85	-	85	-
	<b>Gross operating profit</b>	2,748,725	42	2,753,856	36
	<b>Operating expenses (Note 6(22) and 7):</b>				
6100	Sales promotion expenses	163,646	2	219,758	3
6200	Administrative expenses	377,481	6	356,284	5
		541,127	8	576,042	8
	<b>Net operating profit</b>	2,207,598	34	2,177,814	28
	<b>Non-operating income and expenses:</b>				
7100	Interest revenue (Note 6(23))	70,460	1	40,566	-
7010	Other income (Note 6(23))	2,543	-	3,245	-
7020	Other gains and losses (Note 6(23) and 7)	(32,880)	-	(1,220)	-
7050	Financial costs (Note 6(23))	(175,715)	(3)	(207,558)	(3)
7070	Share of profit or loss of subsidiaries, affiliates and joint ventures accounted for using equity method	700,788	11	735,853	10
		565,196	9	570,886	7
	<b>Net income before tax from continuing operations</b>	2,772,794	43	2,748,700	35
7950	<b>Less: Income tax expenses (Note 6(18))</b>	377,646	6	414,804	5
	<b>Net income for the period</b>	2,395,148	37	2,333,896	30
8300	<b>Other comprehensive income:</b>				
8310	<b>Items not reclassified into profit or loss</b>				
8311	Remeasurement of defined benefit plan	836	-	1,956	-
8316	Unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive income	(1,772)	-	14	-
8330	Share of other comprehensive income of subsidiaries, affiliates and joint ventures accounted for using the equity method - items that are not reclassified into income	86	-	979	-
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8380	Share of other comprehensive income of subsidiaries, affiliates and joint ventures accounted for using equity method- Items that may be reclassified to profit or loss	(3)	-	159	-
8300	<b>Other comprehensive income for the period (net amount after tax)</b>	(853)	-	3,108	-
	<b>Total comprehensive income for the period</b>	<b>\$ 2,394,295</b>	<b>37</b>	<b>2,337,004</b>	<b>30</b>
	<b>Earnings per share (Note 6(20))</b>				
9750	<b>Basic earnings per share (NTD)</b>	<b>\$ 4.42</b>		<b>4.31</b>	
9850	<b>Diluted earnings per share (NTD)</b>	<b>\$ 4.41</b>		<b>4.29</b>	

(Please refer to the attached Notes to the parent company only financial statements)

**Chairman:**  
**Chih-Kang Ma**

**Manager: Chang-Jung Hsieh**  
**Sheng-An Chang**

**Accounting supervisor:**  
**Shu-Lian Chang**

**Kindom Development Co., Ltd.**  
**Statement of Changes in Equity**  
**January 1 to December 31, 2023 and 2022**

**Unit: NTD thousand**

	Retained earnings						Other equity			
	Share capital						Exchange differences on translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Treasury stock	Total equity
	Common stock capital	Capital reserve	Legal reserve	Special reserves	Undistributed earnings	Total				
Balance as of January 1, 2022	\$ 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 for the period	-	-	-	-	2,333,896	2,333,896	-	-	-	2,333,896
Other comprehensive income in the current period	-	-	-	-	2,925	2,925	159	24	-	3,108
Total comprehensive income for the period	-	-	-	-	2,336,821	2,336,821	159	24	-	2,337,004
Appropriation and distribution of earnings:										
Provision for legal reserve	-	-	350,701	-	(350,701)	-	-	-	-	-
Provision of special reserve	-	-	-	(1,120)	1,120	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(1,385,425)	(1,385,425)	-	-	-	(1,385,425)
Changes in affiliates and joint ventures accounted for using the equity method	-	(216)	-	-	-	-	-	-	-	(216)
Buy back treasury stock	-	-	-	-	-	-	-	-	(27,506)	(27,506)
Dividend paid to subsidiaries to adjust capital reserve	-	29,227	-	-	-	-	-	-	-	29,227
Overdue dividends not received	-	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
Net income for the period	-	-	-	-	2,395,148	2,395,148	-	-	-	2,395,148
Other comprehensive income in the current period	-	-	-	-	1,038	1,038	(3)	(1,888)	-	(853)
Total comprehensive income for the period	-	-	-	-	2,396,186	2,396,186	(3)	(1,888)	-	2,394,295
Appropriation and distribution of earnings:										
Provision for legal reserve	-	-	233,682	-	(233,682)	-	-	-	-	-
Provision of special reserve	-	-	-	(183)	183	-	-	-	-	-
Common stock cash dividends	-	-	-	-	(969,798)	(969,798)	-	-	-	(969,798)
Dividend paid to subsidiaries to adjust capital reserve	-	20,496	-	-	-	-	-	-	-	20,496
Overdue dividends not received	-	336	-	-	-	-	-	-	-	336
Balance as of December 31, 2023	\$ 5,541,701	1,472,401	2,736,352	26,544	10,311,947	13,074,843	(29,496)	1,061	(98,702)	19,961,808

(Please refer to the attached Notes to the parent company only financial statements)

**Chairman: Chih-Kang Ma**

**Manager: Chang-Jung Hsieh**  
**Sheng-An Chang**

**Accounting supervisor: Shu-Lian Chang**

**Kindom Development Co., Ltd.**  
**Statement of Cash Flows**  
**January 1 to December 31, 2023 and 2022**

**Unit: NTD thousand**

	<u>2023</u>	<u>2022</u>
<b>Cash flow from operating activities:</b>		
Net income before tax for the current period	\$ 2,772,794	2,748,700
<b>Adjustments:</b>		
Income and expenses		
Depreciation expense	24,378	19,811
Amortization expense	45	474
Net (gain) loss on financial assets and liabilities measured at fair value through profit or loss	(7,089)	9,883
Interest expense	175,715	207,558
Interest revenue	(70,460)	(40,566)
Dividend income	(2,543)	(3,245)
Share of profit of subsidiaries, affiliates and joint ventures accounted for using the equity method	(700,788)	(735,853)
Gains from the disposal of property, plant and equipment	(317)	-
Total income and expense	<u>(581,059)</u>	<u>(541,938)</u>
<b>Changes in operating assets/liabilities:</b>		
Net changes in assets related to operating activities:		
Increase of contract assets	(177,090)	(11,629)
Decrease in notes and accounts receivable	113,494	3,083
Decrease (increase) in inventory	(3,834,387)	376,378
Decrease (increase) in prepayments	16,635	(18,187)
Decrease (increase) of other financial assets - current	668,393	(64,020)
Decrease (increase) of other current assets	15,805	(4,500)
Decrease (increase) of incremental cost of obtaining a contract	(23,317)	40,919
Increase in net defined benefit assets - non-current	(54)	-
Total net changes in assets related to operating activities	<u>(3,220,521)</u>	<u>322,044</u>
Net changes in liabilities related to operating activities:		
Increase (decrease) of contract liabilities	694,451	(647,334)
Increase (decrease) of notes payable	(10,004)	6,046
Increase (decrease) of notes payable - related parties	137,516	(21,165)
Decrease in accounts payable	(21,947)	(143,146)
Increase (decrease) of accounts payable - related parties	87,518	(195,467)
Increase (decrease) of other payables	99,082	(74,103)
Employee benefit liabilities - current (decrease) increase	(1,101)	257
Increase (decrease) in guarantee deposits	(3,000)	3,700
Increase (decrease) of other current liabilities	128,542	(29,638)
Decrease in net defined benefit liability	-	(158)
Increase of other non-current liabilities	85	85
Total net changes in liabilities related to operating activities	<u>1,111,142</u>	<u>(1,100,923)</u>
Total net changes in assets and liabilities related to operating activities	<u>(2,109,379)</u>	<u>(778,879)</u>
Total adjustment items	<u>(2,690,438)</u>	<u>(1,320,817)</u>
Cash inflow from operations	82,356	1,427,883
Income tax paid	(447,758)	(496,244)
<b>Net cash inflow from operating activities</b>	<u>(365,402)</u>	<u>931,639</u>

**Kindom Development Co., LTD.**  
**Statement of Cash Flows (Continued)**  
**January 1 to December 31, 2023 and 2022**

**Unit: NTD thousand**

	<u>2023</u>	<u>2022</u>
<b>Cash flow from investing activities:</b>		
Acquisition of investments under equity method	-	(1,020,000)
Disposal of investments accounted for using the equity method	-	182,337
Acquisition of property, plant and equipment	(11,570)	(12,634)
Acquisition of intangible assets	(179)	-
Disposal of property, plant and equipment	1,867	-
Acquisition of financial assets at fair value through other comprehensive income	(25,276)	-
Increase in prepayment for equipment	-	(2,459)
Interest received	70,460	40,566
Dividends received	297,650	97,489
<b>Net cash inflow from investing activities</b>	<u>332,952</u>	<u>(714,701)</u>
<b>Cash flow from financing activities:</b>		
Increase in short-term borrowings	8,725,010	4,092,369
Decrease in short-term borrowings	(8,184,688)	(3,831,238)
Increase in short-term notes payable	1,242,000	60,000
Decrease in short-term notes payable	(1,212,000)	(60,000)
Issuance of corporate bonds	1,000,000	-
Repayment of corporate bonds	(2,000,000)	-
Cost of purchase of treasury stock	-	(27,506)
Lease principal repayment	(3,734)	(2,820)
Distribution of cash dividends	(969,798)	(1,385,425)
Interest paid	(419,025)	(354,808)
<b>Net cash outflow from financing activities</b>	<u>(1,822,235)</u>	<u>(1,509,428)</u>
Decrease in cash and cash equivalents in current period	(1,854,685)	(1,292,490)
Opening balance of cash and cash equivalents	8,563,299	9,855,789
Closing balance of cash and cash equivalents	<u><u>\$ 6,708,614</u></u>	<u><u>8,563,299</u></u>

**(Please refer to the attached Notes to the parent company only financial statements)**

**Chairman:**  
**Chih-Kang Ma**

**Manager: Chang-Jung Hsieh**  
**Sheng-An Chang**

**Accounting supervisor:**  
**Shu-Lian Chang**



## Attachment 4

### Kindom Development Co., LTD.

#### Earnings Distribution Table

2023

Unit: NTD

Undistributed earnings at the beginning of the period	\$ 7,915,761,279
Add: Net profit after tax	2,395,148,376
Add: Changes in the remeasurement of the defined benefit plan in the current period	1,037,765
Less: Provision of legal reserve	(239,618,614)
Less: Provision of special reserve	<u>(1,890,958)</u>
Distributable earnings	10,070,437,848
Less: Distributable items	
Dividend to shareholders - cash dividend of NTD 1.80 per share	<u>(995,706,180)</u>
Undistributed earnings at the end of the period	<u>\$ 9,074,731,668</u>

Note 1: The principle of the Company's earnings distribution is that the distributable earnings for the year 2023 is prioritized for distribution.

Note 2: The Company has a total of 554,170,100 shares issued, of which 1,000,000 shares are treasury shares and 553,170,100 shares are eligible for dividend distribution.

Chairman: Chih-Kang Ma Manager: Chang-Jung Hsieh, Sheng-An Chang, Accounting Supervisor: Shu-Lian Chang

## Appendix 1

### 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 冠德建設股份有限公司 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 be 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. 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

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.

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, the 35th amendment on June 29, 2022. and the 36th amendment on June 19, 2023

## **Appendix 2**

### **Kindom Development Corp.**

#### **Rules of Procedures for Shareholders' Meetings**

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 in addition to the number of attendance cards, and the shares checked in on the virtual meeting platform.

In the case that the corporate shareholders are appointed to attend a shareholders' meeting, only one person may represent and attend the meeting.

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.

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.

When the Company convenes a video conference for shareholders, the total number of shares of shareholders present shall be disclosed on the video 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.

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.

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.

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.

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.

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 14-1 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 platform before the chair announces the voting session ends or will be deemed abstained from voting.

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.

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.

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.

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.

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 17-1: In the event of a virtual shareholders meeting, when declaring the meeting 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.

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.

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 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.

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.

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.

Article 17-2 When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online

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 June 19, 2023.

## Appendix 3

### 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 1, 2024: 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 1, 2024, Kindom's Directors together held 105,935,137 shares.