

Stock Code: 5514



2022 Annual General Meeting –
Sunfon Construction Co., Ltd.

Shareholders
Meeting Agenda
Handbook

May 26, 2022

Table of Contents

I.	Meeting Agenda	1
II.	Report Items	2
	(I) 2021 Business Report	2
	(II) 2021 Audit Committee’s Review Report	8
	(III) Report of 2021 distribution of remuneration to employees and directors/supervisors	9
III.	Ratification Items	10
	(I) Motion for the 2021 business report and financial statements, proposed for ratification.	10
	(II) Motion for the 2021 earnings distribution, proposed for ratification.	10
IV.	Discussion Items	11
	(I) Issuing new shares by transferring capital from surplus and capital reserve, please review.	11
	(II) Amendments to the Articles of Incorporation, please review.	12
	(III) Amendments to the “Regulations Governing the Acquisition and Disposal of Assets,” please review.	15
V.	Extraordinary Motions	28
VI.	Appendix	29
	(I) Articles of Incorporation	29
	(II) Rules of Procedure for Shareholders Meetings	35
	(III) Regulations Governing the Acquisition and Disposal of Assets.....	38
	(IV) Shareholding information of the Company’s directors and supervisors	49
	(V) Financial statements.....	50

2022 Annual General Meeting Agenda – Sunfon Construction Co., Ltd.

Date/time: May 26, 2022 (Thursday); 9 a.m.

Venue: 2F, No. 99, Fuxing N. Rd., Songshan Dist., Taipei City (Primasia
Conference & Business Center, Conference Room 208)

Annual General Meeting Convention Method: Physical Meeting

Meeting Procedures:

- I. Call Meeting to Order
- II. Chair in Position
- III. Recite “Company Spirit”
- IV. Chair’s Remark
- V. Report Items
- VI. Ratification Items
- VII. Discussion Items
- VIII. Extraordinary Motions
- IX. Meeting Adjourned

[Report Items]

I. 2021 Business Report, please review.

Business Report

(I) Management policy

We adhere to the business motto of “sustainable management and steady growth” and create reasonable profits, which are shared with employees and shareholders and given back to society. As a means to put the motto into practice, our management policy includes:

1. Strengthening land development ability by adopting the strategy of purchasing land and joint construction to ensure the acquisition of land resources.
2. Using market demand as a guide to plan quality products that are user-friendly so as to facilitate sales and reduce the inventory of houses.
3. Emphasizing construction quality and after-sales service to build a sound corporate image and reputation, while increasing the trust and recognition of customers.
4. Properly planning and utilizing human resources and placing importance on the employee’s education and training as well as the welfare system to enhance work efficiency.
5. Improving the financial structure and strictly controlling budgets and audits to ensure our profitability and operating performance.

(II) Implementation overview

As of 2021, for the construction progress of Chang An Hui project, the 12th floor construction has been completed; in August 2021, the building permit was obtained for Yun Ji project, which was sold out upon launch at the beginning of September 2021. It is currently under construction and on schedule. For the project at No. 138, Section 3, Chongqing North Road, the co-construction project at the intersection of Guisui Street and Minle Street and the urban renewal development project at Chengde Road, the existing house demolishing operations have been completed. For the co-construction projects at Nanchang Road and Lane 175, Section 1, Kangning Road, the reconstruction projects for obsolete and hazardous buildings have been approved in September 2021. In addition, for the project at No. 128, Section 3, Chengde Road, the application for the reconstruction project has been submitted and is currently under review. Furthermore, for the Tianmu Tianyu Street project, urban renewal operation is currently under process.

(III) Implementation results of the 2021 Business Plan

The Company’s consolidated operating revenue for 2021 totaled NT\$5,650 thousand, down 99.15 percent compared to the consolidated operating revenue of NT\$666,812 thousand for 2020. The consolidated net loss after tax for 2021 totaled NT\$7,362 thousand, down 103.6 percent from the consolidated net income after tax of

NT\$204,618 thousand for 2020. Earnings per share were NT\$-0.04. The results for operations are as follows:

1. Consolidated profit or loss Unit: NT\$ thousand

Item	Amount in 2021	Amount in 2020	Increase/ decrease amount	Change in percentage %
Operating income	5,650	666,812	(661,162)	(99.15)
Operating costs	1,843	406,147	(404,304)	(99.55)
Operating profit	3,807	260,665	(256,858)	(98.54)
Operating expenses	48,245	49,886	(1,641)	(3.29)
Operating income (loss)	(44,438)	210,779	(255,217)	(121.08)
Non-operating income and (expenditures)	41,702	41,544	158	0.38
Net income before tax	(2,736)	252,323	(255,059)	(101.08)
Income tax benefit (expense)	(4,626)	(47,705)	(43,079)	(90.30)
Net profit (loss) for the period	(7,362)	204,618	(211,980)	(103.60)
Earnings per share (NT\$)	(0.04)	1.03		

2. Parent only profit or loss Unit: NT\$ thousand

Item	Amount in 2021	Amount in 2020	Increase/ decrease amount	Change in percentage %
Operating income	5,770	666,932	(661,162)	(99.13)
Operating costs	7,982	393,386	(385,404)	(97.97)
Operating profit	(2,212)	273,546	(275,758)	(100.81)
Operating expenses	34,965	38,607	(3,642)	(9.43)
Operating income (loss)	(37,177)	234,939	(272,116)	(115.82)
Non-operating income and (expenditures)	34,442	17,395	17,047	98.00
Net income before tax	(2,735)	252,334	(255,069)	(101.08)
Income tax benefit (expense)	(4,626)	(47,705)	(43,079)	(90.30)
Net profit (loss) for the period	(7,361)	204,629	(211,990)	(103.60)
Earnings per share (NT\$)	(0.04)	1.03		

(IV) Budget implementation: The Company does not disclose financial forecasts

(V) Analysis of receipts, expenditures, and profitability

1. Liquidity analysis

(1) Consolidated liquidity analysis

Item \ Year	2021.12.31	2020.12.31	Increase/decrease percentage (%)
Cash flow ratio (%)	(11.88)	(10.38)	(1.50)
Cash flow adequacy ratio (%)	(7.06)	(12.07)	5.01
Cash reinvestment ratio (%)	(9.35)	(5.18)	(4.17)

Analysis of changes in the increase/decrease percentage: Increase/decrease percentage less than 20 percent.

(2) Parent Only Liquidity Analysis

Item \ Year	2021.12.31	2020.12.31	Increase/decrease percentage (%)
Cash flow ratio (%)	(10.96)	(8.45)	(2.51)
Cash flow adequacy ratio (%)	(4.33)	(9.66)	5.33
Cash reinvestment ratio (%)	(8.91)	(4.83)	(4.08)

Analysis of changes in the increase/decrease percentage: Increase/decrease percentage less than 20 percent.

2. Profitability analysis

(1) Consolidated profitability analysis

Item \ Year	2021	2020	Increase/decrease rate (%)
Return on assets (%)	(0.13)	6.25	(6.38)
Shareholder return on equity (%)	(0.26)	7.62	(7.88)
Percentage to paid-in capital (%)	Operating income	10.85	(12.99)
	Net income before tax	(0.13)	12.99
Net profit rate (%)	(130.30)	30.69	(160.99)
Earnings per share (NT\$)	(0.04)	1.03	

(2) Parent Only Profitability Analysis

Item	Year	2021	2020	Increase/decrease rate (%)
	Return on assets (%)		(0.13)	6.30
Shareholder return on equity (%)		(0.26)	7.62	(7.88)
Percentage to paid-in capital (%)	Operating income	(1.79)	12.09	(13.88)
	Net income before tax	(0.13)	12.99	(13.12)
Net profit rate (%)		(127.57)	30.68	(158.25)
Earnings per share (NT\$)		(0.04)	1.03	

(VI) Research and development (R&D) status

1. R&D expenditures and results for the most recent fiscal year

- (1) Through application incentives of renewal and urban unsafe and old buildings, as well as jointly developing and building quality mixed residential and commercial buildings in old communities with landowners, we are able to keep land acquisition costs down to generate more profits.
- (2) We are proactively seeking desirable locations with reasonable land prices to promote quality residences for steady sales. With our strategy that focuses on small volumes but a large number of projects, we hope to build our company brand within the public's awareness.
- (3) Our product design and planning take the requirements of building coverage ratio and floor area ratio into account in order to fully utilize the buildable area. Moreover, we aim to design and construct tall buildings with deep foundations and high floors, and giving them life so that they are reasonable, practical, humanized and refined, meeting the market demand.
- (4) We select first-rate vendors through evaluation of their information sheets and final reports, while strengthening budget management and improving schedule control to reduce costs, elevating operational efficiency.
- (5) Our construction projects located in Datong District completed in recent years – “Feng Hua Hui,” “Wen Ding Hui,” “Di Yi Hui” and the “The Twin Cities” – as well as construction projects currently under construction – “Chang An Hui” and “Yun Ji” – have been highly praised by customers in terms of the design and construction quality.

2. Future R&D plans

- (1) Strengthening land development ability by adopting the strategy of purchasing land and joint construction to ensure the acquisition of land resources.
- (2) Adopting new construction methods and collecting information on new building materials to keep track of construction progress cost and quality.
- (3) Promoting full institutionalized management by strengthening authorization and fostering labor division. By doing this, our manpower can be put into full practice to enhance the Company's work quality and highly efficient operations.
- (4) Promoting all businesses to improve computerized operations and enhance work efficiency. This enables us to provide the best service to customers, build product reputation and increase brand awareness, and achieve the goal of sustainable business.

(VII) Conclusion

First of all, I would like to thank you for your long-term support and encouragement of Sunfon Construction. The project of "Chang An Hui" currently under construction is expected to be completed by the end of this year for house delivery. The project of "Yun Ji" of the Company with the house sale officially started in September of last year has been sold out completely in a short period of time, and the project construction is scheduled to be commenced in April of this year, and it is expected to be completed for house delivery in September 2025. Regarding the "Baosheng Emperor Memorial Hall" previously pre-sold to and constructed for Taipei Baoan Temple, after the acquisition of the alternation building permit was obtained last November, construction has commenced in February of this year, and it is expected to be completed for delivery at the end of 2023. For the scheduled Minle-Guisui project with the project name of "Yun Di," the building permit was obtained at the end of last year, and construction is scheduled to commence in June of this year and is expected to be completed for delivery in May 2025. Furthermore, for the Chengde project adopting the urban renewal development method, in addition to the completion of existing house demolishing operation, construction is scheduled to commence in July of this year and is expected to be completed for delivery at the end of 2025. For the project at Section 1, Kangning Road, the demolishing license was acquired at the end of last year and existing house demolishing operation is currently in process, and after successful acquisition of the building permit in February of this year, the construction is scheduled to commence in June of this year and is expected to be completed for delivery in June 2024. Furthermore, since the Nangchang Road project is located at the central area of the capital and adjacent to MRT Wanda Line, the building permit review is relatively complicated, and its construction is scheduled to commence immediately after the acquisition of the building permit in April of this year and is expected to be completed for delivery at the end of 2024. For the Tianmu Tianyu Street project, since it is a sea sand urban renewal project, the urban renewal review is expected to be completed in April 2023, and the building permit will be acquired in July 2023, the construction is scheduled to be completed for delivery at the end of 2025. For the project at No. 128, Section 3, Chengde Road, the

reconstruction plan was submitted last June, and construction is expected to commence immediately after the successful acquisition of the building permit in September of this year, and it is scheduled to be completed for delivery in September 2024. In addition, as several obsolete and hazardous building development and integration projects are scheduled to be completed this year and a number of urban renewal projects have been submitted for review, accordingly, the profit growth of the Company for this year and upcoming years can be expected.

In 2021, with the mitigation of the pandemic and the increase of vaccination rate, the economic activities start to show positive signs, and the domestic market in Taiwan also benefits from the supports of five main factors of capital return of Taiwanese business operators, restructuring of supply chain, low mortgage rate, inflation and steady growth of the Taiwan stock market. Accordingly, the real estate trading volume is driven to increase and to reach new highs in the year of the ox. In view of such positive impact, the “Yun Ji” project of the Company has also benefited from such market condition, such that the project sold out in a short period of time with transaction price reaching new highs in the local market. As for other projects developed completely, we also plan to start the sale of house units during the construction process. Accordingly, under the positive market impact, we expect to achieve outstanding sales outcome and performance. Looking into the year of 2022, according to the economy and market survey of Taiwan Institute of Economic Research, due to the increasing trend of house prices along with the high trading volume in the real estate market in 2021, the government’s real estate suppression policy and pandemic condition change have become the main factors for the market adjustment and fluctuation. Nevertheless, under the positive impacts of the low interest rate adopted by the Central Bank and the market capital effect, along with the factors of high construction cost and insufficient construction labor, house prices in the market are maintained. Accordingly, the market showed a slight increase of the house prices at the beginning of this year. We sincerely appreciate all shareholders for their continuous support and encouragement to our company.

Chairperson:
Hung Min-Fu

Managerial Officer:
Yu Jui-Hsing

Chief Accounting
Officer: Shih Shu-
Ying

II. 2021 Audit Committee's Review Report, please review.

Description: The Company's 2021 financial statements have been audited and attested by CPAs and reviewed by the audit committee. The review report has been submitted for review.

Audit Committee's Review Report

Dear Shareholders,

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements (including consolidated and parent only statements), and proposal for distribution of earnings. The Company's Financial Statements have been audited and certified by CPA Yang Chih-Hui and CPA Hsu Hsin-Min of Ernst & Young, Taiwan, and an audit report related thereto has been issued. The aforementioned report and statements have been reviewed and considered to be compliant with relevant rules by the undersigned, the Audit Committee of the Company. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for review.

Submitted to

The Company's 2022 Annual General Meeting

Audit Committee Convener: Huang Tse-Jen

March 8, 2022

III. Report of 2021 distribution of remuneration to employees and directors/supervisors.

Description:

- I. According to the Article 25 of the Articles of Incorporation of the Company, when the Company has a profit in a fiscal year, it shall allocate no less than 1 percent of the net income before tax as the remuneration of employees and no more than 1 percent thereof as the remuneration of directors and supervisors.
- II. For the 2021 settlement, the net profit/loss before tax excluding remuneration of employees and remuneration of directors and supervisors is NT\$2,734,611. Accordingly, no remuneration of employees and remuneration of directors and supervisors are distributed in 2021.
- III. The above remuneration distribution has been reviewed and approved at the 4th meeting of the 1st Term of Audit Committee on March 8, 2022.

[Ratification Items]

Case 1. Proposed by the Board of Directors

Reason: 2021 business report and financial statements, proposed for ratification.

Description:

- I. The Company's 2021 financial statements, including the consolidated balance sheet, consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated cash flow statements as well as the 2021 parent only financial statements, have not only been reviewed by the Audit Committee, but were also audited and attested by Yang Chih-Hui and Hsu Hsin-Min, CPAs of EY.
- II. For the preceding financial statements, please refer to pages 34–49 of this Handbook.

Resolution:

Case 2. Proposed by the Board of Directors

Reason: Motion for the 2021 earnings distribution, proposed for ratification.

Description:

- I. The Company's net loss after tax in 2021 is NT\$7,360,799, and the undistributed earnings of NT\$54,056,380 is planned to be used for the distribution of stock dividends for NT\$0.26 per share, i.e. distribution of 26 shares per thousand shares.
- II. For the 2021 earnings distribution table, please refer to page 50 of this Handbook.

Resolution:

[Discussion Items]

Case 1. Proposed by the Board of Directors

Reason: Issuing new shares by transferring capital from surplus and capital reserve, please review.

Description:

- I. As a means to raise working capital, the Company proposes to allocate NT\$54,056,380 of common stock dividends from distributable earnings for 2021 to increase capital. A total of 5,405,638 new shares are expected to be issued.
- II. In addition, according to the provision of Article 241 of the Company Act, the Company plans to use the capital reserve of NT\$3,829,611 of the “income derived from the issuance of new shares at a premium” and the capital reserve of NT\$25,277,669 of the “cash dividends received by subsidiary from the parent” for a total of NT\$29,107,280 to increase capital. A total of 2,910,728 new shares are expected to be issued.
- III. In view of the above, a total of 8,316,366 new shares are expected to be issued, at NT\$10 per share, for a total amount of NT\$83,163,660. After the shareholders meeting has passed the issue of new shares and it has been approved by the competent authorities, the base date for distribution of shares will be set. Based on shareholding ratio by the shareholders as recorded in the shareholders’ roster on the base date, 40 shares per thousand shares shall be allocated (i.e. 26 shares from surplus and 14 shares from capital reserve). If shares are less than one full share, the distribution is changed to cash issuance for an amount calculated to an integer dollar according to Article 240 of the Company Act. In addition, shareholders may also register to consolidate the shares into one share within five days from the date of the suspension of stock transfer. For any failure to consolidate the shares into one share, the shareholders of such shares shall be deemed to have waived his/her right for the registration. For all odd shares less than one share distributed, the Chairperson is authorized to assign specific persons for subscription of such shares based on the par value.
- IV. Regarding the new stock issued for capital increase, the rights and obligations are the same as the originally issued common stock.
- V. If the Company’s capital stock changes prior to the base date of capital increase and affects the total number of outstanding shares resulting in changes in the stock distribution ratio of shareholders, it has been proposed that the shareholders meeting authorize the chairperson of the board of directors to have full rights regarding adjustment.
- VI. The chairperson of the board of directors is authorized to handle matters not covered in this motion for capital increase due to changes in law or approval by the competent authorities.

Resolution:

Case 2. Proposed by the Board of Directors

Reason: Amendments to the Articles of Incorporation, please review.

Description: Amendments to the Articles of Incorporation are made to be in line with the Company Act. The comparison table is as follows:

Comparison Table of Amendments to the Articles of Incorporation

Original Article	Amended Article	Reason for Amendment
<p>Article 13: Except as otherwise provided by the Company Act, resolutions of the shareholders meeting shall be attended by shareholders who represent more than one-half of the total number of issued and outstanding shares.</p>	<p>Article 13: Unless otherwise specified in the Company Act, any resolution at a shareholders meeting shall be adopted by a majority of the shareholders present, who represent more than half of the total number of the Company’s outstanding shares, and shall be executed based on the majority of the voting rights of attending shareholders. <u>According to the regulations of the competent authority, shareholders of the Company may also exercise their voting rights via electronic method, and shareholders exercising voting rights via electronic method shall be deemed to attend the meeting in person. Relevant matters shall be handled according to laws and regulations.</u></p>	<p>Cooperate to add electronic method as one of the methods for exercising voting rights.</p>
<p>Article 14: A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date and no later than 15 days prior to the scheduled meeting date for a special meeting, with the date and place of meeting and cause for the meeting included in the notice.</p>	<p>Article 14: A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date and no later than 15 days prior to the scheduled meeting date for a special meeting, with the date and place of meeting and cause for the meeting included in the notice. <u>A shareholders meeting of the Company may be held by video</u></p>	<p>Cooperate with the amendment of the Company Act and to cope with the epidemic policy needs, the Articles of Incorporation specify that the shareholders meeting may be convened by</p>

Original Article	Amended Article	Reason for Amendment
	<u>conferencing or any other methods as announced by the central competent authority.</u>	video conferencing or any other methods as announced by the central competent authority.
<p>Article 17-1: The Company has set up an audit committee pursuant to Article 14-4 of the Securities and Exchange Act. The audit committee shall be made up by all independent directors. The audit committee or members of the audit committee are responsible for performing the duties of supervisors set out in the Company Act, the Securities and Exchange Act and other laws and regulations. <u>The supervisors were abolished at the same time as the establishment date of the audit committee; the provisions stipulated in the Articles of Incorporation regarding supervisors also expired.</u></p>	<p>Article 17-1: The Company has set up an audit committee pursuant to Article 14-4 of the Securities and Exchange Act. The audit committee shall be made up by all independent directors. The audit committee or members of the audit committee are responsible for performing the duties of supervisors set out in the Company Act, the Securities and Exchange Act and other laws and regulations.</p>	<p>Since the supervisors are abolished at the same time as the establishment date of the Audit Committee, the provisions stipulated in these Articles of Incorporation regarding supervisors become invalid such that relevant content is deleted.</p>
<p>Article 19: Except as otherwise provided by the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. Resolutions adopted at a board meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and shall be distributed to all directors of the Company within 20 days after the close of the meeting. The</p>	<p>Article 19: Except as otherwise provided by the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. Resolutions adopted at a board meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and shall be distributed to all directors of the Company within 20 days after the close of the meeting. The</p>	<p>Deleted “supervisors” from the content.</p>

Original Article	Amended Article	Reason for Amendment
<p>meeting minutes shall record a summary of the essential points of the proceedings and the results of the meeting. The attendance list bearing the signatures of directors <u>and supervisors</u> present at the meeting and the powers of attorney of the proxies shall be kept in the Company.</p> <p>When a director is not able to attend a board meeting for any reason, they shall issue a written proxy. A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only.</p> <p>In case a meeting of the board of directors is proceeded via videoconference, then the directors taking part in such a videoconference meeting shall be deemed to have attended the meeting in person.</p> <p>The convening of the board of directors may be effected by means of written, electronically transmitted or faxed notice to each director <u>and supervisor</u>.</p>	<p>meeting minutes shall record a summary of the essential points of the proceedings and the results of the meeting. The attendance list bearing the signatures of directors present at the meeting and the powers of attorney of the proxies shall be kept in the Company.</p> <p>When a director is not able to attend a board meeting for any reason, they shall issue a written proxy. A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only.</p> <p>In case a meeting of the board of directors is proceeded via videoconference, then the directors taking part in such a videoconference meeting shall be deemed to have attended the meeting in person.</p> <p>The convening of the board of directors may be effected by means of written, electronically transmitted or faxed notice to each director.</p>	
<p>Article 28: These Articles were formulated on January 11, 1988; the 1st amendments were made on June 1, 1989...; the 21st amendments were made on May 29, 2018; the 22nd amendments were made on May 28, 2020; and the 23rd amendments were made on May 27, 2021.</p>	<p>Article 28: These Articles were formulated on January 11, 1988; the 1st amendments were made on June 1, 1989...; the 21st amendments were made on May 29, 2018; the 22nd amendments were made on May 28, 2020; the 23rd amendments were made on May 27, 2021; <u>and the 24th amendments were made on May 26, 2022.</u></p>	

Resolution:

Case 3. Proposed by the Board of Directors

Reason: Amendments to the “Regulations Governing the Acquisition and Disposal of Assets,” please review.

Explanation: In line with regulatory amendments, it has been proposed to amend the Regulations Governing the Acquisition and Disposal of Assets. The comparison table before and after amendments is as follows:

Comparison Table of Amendments to Regulations Governing the Acquisition and Disposal of Assets

Original Article	Amended Article	Reason for Amendment
<p>Article 7: Public announcement and reporting criteria</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the Securities & Futures Institution (SFI) in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>I. Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company’s total assets, or NT\$300 million or more. However, this does not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic</p>	<p>Article 7: Public announcement and reporting criteria</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the Securities & Futures Institution (SFI) in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>I. Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company’s total assets, or NT\$300 million or more. However, this does not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic</p>	<p>Revised content according to the amendment and relaxation of regulations for investment professionals to subscribe foreign government bonds in the primary market, subscription or redemption of index investment securities, and exemption from public announcement and declaration.</p>

Original Article	Amended Article	Reason for Amendment
<p>securities investment trust enterprises.</p> <p>II. Merger, demerger, acquisition, or transfer of shares.</p> <p>III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Regulations adopted by the Company.</p> <p>IV. Where equipment or right-of-use assets for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>(I) Paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(II) Paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>V. Acquisition or disposal by the Company in the construction business of real property or right-of-use assets for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the Company has paid-in capital of NT\$10 billion or more, and it is disposing of</p>	<p>securities investment trust enterprises.</p> <p>II. Merger, demerger, acquisition, or transfer of shares.</p> <p>III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Regulations adopted by the Company.</p> <p>IV. Where equipment or right-of-use assets for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>(I) Paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(II) Paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>V. Acquisition or disposal by the Company in the construction business of real property or right-of-use assets for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the Company has paid-in capital of NT\$10 billion or more, and it is disposing of</p>	

Original Article	Amended Article	Reason for Amendment
<p>real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>VI. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>VII. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million or more. However, this shall not apply to the following circumstances:</p> <p>(I) Trading of domestic government bonds.</p> <p>(II) Where done by</p>	<p>real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>VI. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.</p> <p>VII. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million or more. However, this shall not apply to the following circumstances:</p> <p>(I) Trading of domestic government bonds <u>or foreign government</u></p>	

Original Article	Amended Article	Reason for Amendment
<p>professional investors, securities trading on securities exchanges or securities firm's place of business, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics in the primary market.</p> <p>(III) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <p>I. The amount of any individual transaction.</p> <p>II. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</p> <p>III. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets within the same development project within the preceding year.</p> <p>IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same</p>	<p><u>bonds of credit rating not inferior to the authority rating of or nation.</u></p> <p>(II) Where done by professional investors, securities trading on securities exchanges or securities firm's place of business, or subscription of <u>foreign government bonds or ordinary corporate bonds or general bank debentures without equity characteristics that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of index investment securities.</u></p> <p>(III) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <p>I. The amount of any individual transaction.</p> <p>II. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the</p>	

Original Article	Amended Article	Reason for Amendment
<p>security within the preceding year.</p> <p>“Within the preceding year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the SFI by the 10th day of each month. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall again be publicly announced and reported in their entirety within two days counting inclusively from the date of learning of such error or omission.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, and they shall be retained for 5 years except where other regulations provide otherwise.</p>	<p>same transaction counterparty within the preceding year.</p> <p>III. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets within the same development project within the preceding year.</p> <p>IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>“Within the preceding year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the SFI by the 10th day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items</p>	

Original Article	Amended Article	Reason for Amendment
	<p>shall again be publicly announced and reported in their entirety within two days counting inclusively from the date of learning of such error or omission.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, and they shall be retained for 5 years except where other regulations provide otherwise.</p>	
<p>Article 9: In acquiring or disposing of real property, equipment, or right-of-use assets where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless trading with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>I. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same</p>	<p>Article 9: In acquiring or disposing of real property, equipment, or right-of-use assets where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless trading with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>I. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same</p>	<p>Deleted relevant content reciting that CPA shall comply with the Statement of Auditing Standards.</p>

Original Article	Amended Article	Reason for Amendment
<p>procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>III. Where any one of the following circumstances are applicable with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u> and to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(I) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(II) The discrepancy</p>	<p>procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(I) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(II) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>IV. No more than 3 months may</p>	

Original Article	Amended Article	Reason for Amendment
<p>between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>IV. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. However, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report and the certified public accountant's opinion under Subparagraph (III) of the preceding paragraph shall be obtained within 2 weeks counting inclusively from the date of occurrence.</p>	<p>elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. However, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report and the certified public accountant's opinion under Subparagraph (III) of the preceding paragraph shall be obtained within 2 weeks counting inclusively from the date of occurrence.</p>	
<p>Article 10: The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a</p>	<p>Article 10: The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a</p>	<p>Revision of same as the one described in Article 9.</p>

Original Article	Amended Article	Reason for Amendment
<p>certified public accountant, for reference in appraising the transaction price, and if the amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the competent authorities.</p>	<p>certified public accountant, for reference in appraising the transaction price, and if the amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the competent authorities.</p>	
<p>Article 11: Where the Company acquires or disposes of intangible assets or right-of-use assets or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p>	<p>Article 11: Where the Company acquires or disposes of intangible assets or right-of-use assets or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>Revision of revision is the same as the one described in Article 9.</p>
<p>Article 15:</p>	<p>Article 15:</p>	<p>When the</p>

Original Article	Amended Article	Reason for Amendment
<p>When the Company intends to acquire or dispose of real property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20 percent or more of the paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the majority of the audit committee and the board of directors:</p> <p>I. The purpose, necessity and anticipated benefits of the acquisition or disposal of assets.</p> <p>II. The reason for choosing the related party as a transaction counterparty.</p> <p>III. With respect to the acquisition of real property or right-of-use assets from a related party, information regarding the appraisal of the reasonableness of the preliminary transaction terms in accordance with regulations.</p> <p>IV. The date and price at which the related party originally</p>	<p>When the Company intends to acquire or dispose of real property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20 percent or more of the paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the majority of the audit committee and the board of directors:</p> <p>I. The purpose, necessity and anticipated benefits of the acquisition or disposal of assets.</p> <p>II. The reason for choosing the related party as a transaction counterparty.</p> <p>III. With respect to the acquisition of real property or right-of-use assets from a related party, information regarding the appraisal of the reasonableness of the preliminary transaction terms in accordance with regulations.</p> <p>IV. The date and price at which the related party originally</p>	<p>Company or a non-public domestic subsidiary engages in any transaction described in Paragraph I, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall submit relevant documents to the shareholders meeting for approval before execution. However, such restriction shall not be applicable to transactions between the Company and the parent, and its subsidiary or between subsidiaries.</p>

Original Article	Amended Article	Reason for Amendment
<p>acquired the property, the original transaction counterparty, and that transaction counterparty's relationship with the Company and the related party.</p> <p>V. Monthly cash flow forecasts for the year starting from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>VII. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 7, Paragraph II herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100</p>	<p>acquired the property, the original transaction counterparty, and that transaction counterparty's relationship with the Company and the related party.</p> <p>V. Monthly cash flow forecasts for the year starting from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>VII. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may, pursuant to Article 5, Paragraph I, Subparagraph (II) of these Regulations, delegate the chairperson to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p>	

Original Article	Amended Article	Reason for Amendment
<p>percent of the issued shares or authorized capital, the Company's board of directors may, pursuant to Article 5, Paragraph I, Subparagraph (II) of these Regulations, delegate the chairperson to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>When a matter is submitted for discussion by the board of directors pursuant to Paragraph I of Regulations Governing the Acquisition or Disposal of Assets, the board of directors shall take each independent director's opinions into full consideration. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>When a matter is submitted for discussion by the board of directors pursuant to Paragraph I of Regulations Governing the Acquisition or Disposal of Assets, the board of directors shall take each independent director's opinions into full consideration. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p><u>When the Company or a non-public domestic subsidiary engages in any transaction described in Paragraph I, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall submit all documents described in each subparagraph of Paragraph I to the shareholders meeting for approval before signing the transaction contract or make payment. However, such restriction shall not be applicable to transactions between the Company and the parent, and subsidiary, or between subsidiaries.</u></p> <p>The calculation of the transaction amounts referred to in Paragraph I and the preceding paragraph shall be made in accordance with <u>the provision of Article 7, Paragraph II</u></p>	

Original Article	Amended Article	Reason for Amendment
	<p>herein, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting and board of directors need not be counted toward the transaction amount.</p>	
<p>Article 23: Enforcement date</p> <p>I. These Regulations shall be approved by the majority of the audit committee, and after they have been approved by the board of directors, they shall be submitted to a shareholders meeting for approval; the same applies when the Regulations are amended.</p> <p>When the Regulations Governing the Acquisition and Disposal of Assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take each independent director’s opinions into full consideration. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>II. These Regulations were formulated on November 29, 1999. The 1st amendments were made on March 12, 2003; the 2nd amendments were made on March 21,</p>	<p>Article 23: Enforcement date</p> <p>I. These Regulations shall be approved by the majority of the audit committee, and after they have been approved by the board of directors, they shall be submitted to a shareholders meeting for approval; the same applies when the Regulations are amended.</p> <p>When the Regulations Governing the Acquisition and Disposal of Assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take each independent director’s opinions into full consideration. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>II. These Regulations were formulated on November 29, 1999. The 1st amendments were made on March 12, 2003; the 2nd amendments were made on March 21,</p>	

Original Article	Amended Article	Reason for Amendment
<p>2008; the 3rd amendments were made on June 15, 2012; the 4th amendments were made on June 21, 2013; the 5th amendments were made on June 4, 2014; the 6th amendments were made on May 28, 2015; the 7th amendments were made on May 26, 2017; the 8th amendments were made on May 29, 2019; and the 9th amendments were made on May 27, 2021.</p>	<p>2008; the 3rd amendments were made on June 15, 2012; the 4th amendments were made on June 21, 2013; the 5th amendments were made on June 4, 2014; the 6th amendments were made on May 28, 2015; the 7th amendments were made on May 26, 2017; the 8th amendments were made on May 29, 2019; and the 9th amendments were made on May 27, 2021; <u>the 10th amendments were made on May 26, 2022.</u></p>	

Resolution:

[Extraordinary Motions]

[Appendix I]

Sunfon Construction Co., Ltd. – Articles of Incorporation

Chapter I General Rules

- Article 1: The Company is organized in accordance with the Company Act and is named SUNFON CONSTRUCTION CO., LTD.
- Article 2: The Company's line of business is as follow:
1. H701010 Housing and Building Development and Rental.
 2. H701020 Industrial Factory Development and Rental.
 3. H701040 Specific Area Development.
 4. H701050 Investment, Development and Construction in Public Construction.
 5. H701060 New Towns, New Community Development.
 6. H701070 Process Zone Expropriation and Urban Land Readjustment Agency.
 7. H701080 Urban Renewal Reconstruction.
 8. H701090 Urban Renewal Renovation or Maintenance.
 9. H703090 Real Estate Business.
 10. H703100 Real Estate Leasing.
 11. H703110 Senior Citizen Residence.
 12. E801010 Indoor Decoration.
 13. F211010 Retail Sale of Building Materials.
 14. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: The aggregate amount of all investments may exceed 40 percent of the Company's paid-in capital; guarantees may be made to others depending on the necessity of the business.
- Article 3: The Company's head office is located in Taipei City. Where necessary, a domestic or overseas branch may be set up by resolution of the board of directors.
- Article 4: Handled in accordance with Article 28 of the Company Act.

Chapter II Shares

- Article 5: The Company's capital is set at NT\$3 billion divided into 300 million shares with a par value of NT\$10 per share. Among these shares, unissued shares shall be issued by the board of directors in installments to satisfy its business requirements.
- Article 6: Any shares bought back by the Company in accordance with the Company Act may be transferred to employees of parents or subsidiaries of the Company meeting certain specific requirements.
Share subscription warrants may be issued to employees of parents or subsidiaries of the Company meeting certain specific requirements.
The Company's new shares may be subscribed by employees of parents or

subsidiaries of the Company meeting certain specific requirements.

The Company's issuing of new restricted stock for employees includes the employees of parents or subsidiaries of the Company meeting certain specific requirements.

Article 7: The Company's issued shares are exempted from printing any share certificate; however, they shall be registered with a centralized securities depository enterprise.

Article 8: The transferring of shares shall cease within 60 days prior to the convening date of a regular shareholders meeting, or within 30 days prior to the convening date of a special shareholders meeting, or within 5 days prior to the base date fixed by the Company for distribution of dividends, bonuses or other benefits.

Article 9: The Company complies with the Company Act and the Regulations Governing the Administration of Shareholder Services of Public Companies when it handles stock-related affairs of shareholders, except as otherwise provided by law or the competent authority of securities.

Chapter III Shareholders Meeting

Article 10: The shareholders meeting is divided into regular meetings of shareholders and special meetings of shareholders. The general meeting shall be convened by the board of directors once a year within 6 months after the end of fiscal year. The special meeting is convened when necessary.

Article 11: When a shareholder is not able to attend a shareholders meeting for any reason, they shall issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. In addition to provisions stipulated in Article 177 of the Company Act, related matters shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authorities.

Article 12: Shareholders of the Company are entitled to one vote per share, except for the Company's shares held by the Company and its subsidiaries pursuant to Article 179 of the Company Act.

Article 13: Except as otherwise provided by the Company Act, resolutions of the shareholders meeting shall be attended by shareholders who represent more than one-half of the total number of issued and outstanding shares.

Article 14: A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date and no later than 15 days prior to the scheduled meeting date for a special meeting, with the date and place of meeting and cause for the meeting included in the notice.

Article 15: Except as otherwise provided by the Company Act, the chair shall chair the shareholders meeting. In the event of absence of the chairperson for any reason, matters concerning the chairperson's proxy may be handled in accordance with the provisions stipulated in Article 208 of the Company

Act. For a shareholders meeting convened by any person other than directors, they shall act as the chair of that meeting provided that if there are two or more persons having the convening right, the chair of the meeting shall be elected from among themselves.

Article 16: Resolutions adopted at a shareholders meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and shall be distributed to all shareholders of the Company within 20 days after the close of the meeting. The preparation and distribution of the minutes of the shareholders meeting may be effected by means of public announcement.

The minutes of the shareholders meeting shall record the date and place of the meeting, the name of the chair, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept in the Company.

Chapter IV Directors and Audit Committee

Article 17: The Company has seven to nine directors. The number of directors is determined by the board of directors.

The number of independent directors from the preceding paragraph regarding directors shall be at least three.

The election of directors adopts the candidate nomination system stipulated in Article 192-1 of the Company Act. Matters relating to the acceptance method and announcement of director candidate nominations are handled in accordance with the Company Act and the Securities and Exchange Act. Independent and non-independent directors shall be elected at the same time, but in separately calculated numbers. The term of office of a director shall not exceed three years; but they may be eligible for re-election.

Article 17-1: The Company has set up an audit committee pursuant to Article 14-4 of the Securities and Exchange Act. The audit committee shall be made up by all independent directors. The audit committee or members of the audit committee are responsible for performing the duties of supervisors set out in the Company Act, the Securities and Exchange Act and other laws and regulations. The supervisors were abolished at the same time as the establishment date of the audit committee; the provisions stipulated in the Articles of Incorporation regarding supervisors also expired.

Article 18: The directors shall organize a board of directors and shall elect a chairperson of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The chairperson represents the Company externally.

Article 19: Except as otherwise provided by the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a

meeting attended by a majority of the directors. Resolutions adopted at a board meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and shall be distributed to all directors of the Company within 20 days after the close of the meeting. The meeting minutes shall record a summary of the essential points of the proceedings and the results of the meeting. The attendance list bearing the signatures of directors and supervisors present at the meeting and the powers of attorney of the proxies shall be kept in the Company.

When a director is not able to attend a board meeting for any reason, they shall issue a written proxy. A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only. In case a meeting of the board of directors is proceeded via videoconference, then the directors taking part in such a videoconference meeting shall be deemed to have attended the meeting in person.

The convening of the board of directors may be effected by means of written, electronically transmitted or faxed notice to each director and supervisor.

Article 20: In case the chairperson of the board of directors is on leave or absent or cannot exercise their power and authority for any reason, its proxy is handled pursuant to Article 208 of the Company Act.

Article 21: The remuneration of directors shall be based on the usual rate of the industry. The determination for remuneration is authorized to the board of directors.

Article 22: Deleted.

Chapter V Managerial Officers

Article 23: The Company may have one president and several vice presidents and managerial officers. Their appointment and dismissal as well as remuneration are handled pursuant to Article 29 of the Company Act.

Chapter VI Accounting

Article 24: At the close of each fiscal year, the board of directors shall prepare the following statements and records and shall forward the same to supervisors for their auditing no later than 30 days prior to the meeting date of a general meeting of shareholders, and shall also submit it to the shareholders meeting for ratification.

1. Business report
2. Financial statements
3. Earnings distribution or loss appropriation proposals

Article 25: If the Company has a profit for the year, the remuneration allocated to employees shall be based on the net profit before tax and shall not be less than 1 percent and remuneration allocated to directors and supervisors shall not exceed 1 percent. Employee remuneration may be distributed to

employees of subordinate companies meeting certain specific requirements. Distribution of remuneration to employees and directors/supervisors shall be reported to the shareholders meeting. However, if the Company still has accumulated losses, the Company should first make up for losses before allocating remuneration to employees and directors/supervisors in the proportion described above.

- Article 25-1: The Company should first make up for accumulated losses using its profit for the year, then set aside 10 percent as the legal reserve and allocate or reverse the special reserve as required by law. After adding the previous year's accumulated undistributed earnings to the remaining balance, 30 percent or more should be allocated as shareholder dividends. However, the above rates for earnings distribution and cash dividends to shareholders are adjusted by resolution of the shareholders meeting depending on the actual profit of the year and the Company's state of capital. The cash dividends may not be less than 10 percent of the total dividends; however, if the cash dividends are less than NT\$0.1 per share or there is a plan for significant capital expenditure for the year, dividends may be distributed in the form of shares. If the profit for the year is less than NT\$0.5 per share, dividends for shareholders pursuant to the preceding paragraph may be retained. If there is a reduction in accumulated shareholders' equity from the previous year or incurred in the current year but there is not sufficient net income to provide for the reduction, a special reserve of the same amount should be set aside from the accumulated undistributed earnings of the previous year and deducted prior to the provision for distribution. The motion for the above distribution of earnings is prepared by the board of directors and submitted to the shareholders meeting for resolution.

Chapter VII Supplemental Provisions

- Article 26: Matters not covered in these Articles of Incorporation are handled in accordance with the Company Act.
- Article 27: The Articles of Incorporation go into effect upon approval and registration by the competent authorities. The same shall apply to any amendments.
- Article 28: The Articles of Incorporation were formulated on January 11, 1988; the 1st amendments were made on June 1, 1989; the 2nd amendments were made on July 18, 1989; the 3rd amendments were made on June 20, 1990; the 4th amendments were made on July 23, 1990; the 5th amendments were made on June 20, 1991; the 6th amendments were made on June 10, 1992; the 7th amendments were made on June 2, 1994; the 8th amendments were made on April 7, 1995; the 9th amendments were made on May 29, 1996; the 10th amendments were made on May 2, 1997; the 11th amendments were made on June 4, 1998; the 12th amendments were made on April 29, 2000; the 13th amendments were made on May 30, 2002; the 14th amendments were made on May 30, 2003; the 15th amendments were

made on June 14, 2006; the 16th amendments were made on June 9, 2010; the 17th amendments were made on June 15, 2012; the 18th amendments were made on June 21, 2013; the 19th amendments were made on June 4, 2014; the 20th amendments were made on May 27, 2016; the 21st amendments were made on May 29, 2018; and the 22nd amendments were made on May 28, 2020; the 23rd amendments were made on July 23, 2021.

Sunfon Construction Co., Ltd.

[Appendix II]

Sunfon Construction Co., Ltd. – Rules of Procedure for Shareholders Meetings

- I. The Rules of Procedure for the Company's shareholders meetings, except as otherwise provided by law or regulation, shall be as provided in these Rules.
- II. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in.
- III. Attendance and voting at shareholders meetings shall be calculated based on numbers of shares.
- IV. The venue for a shareholders meeting shall be on the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- V. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall chair the meeting in place of the chairperson, or, if there is no vice chairperson or the vice chairperson is also on leave or for any reason is unable to act, the meeting shall be chaired by a managing director designated by the chairperson, or, if there is no managing director, by a director designated thereby, or, if the chairperson does not make such a designation, by a managing director or director elected by and from among the directors.
If a shareholders meeting is convened by a party with power to convene other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- VI. The Company may appoint its attorneys, certified public accountants, or related persons it retains to attend a shareholders meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
- VII. The Company shall make an audio and video recording of the entire shareholders meeting and the recorded materials shall be retained for at least one year.
- VIII. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and the number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. 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 pursuant to Article 175, Paragraph I of the Company

Act.

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

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

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene other than the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. After the said meeting is adjourned, shareholders may not elect another chair to hold another meeting at the same place or at any other place. During the session of a shareholders meeting, if the chair declares the adjournment of the meeting in a manner in violation of such rules governing the proceedings of meetings, a new chair may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceedings of the meeting.

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

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

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

- XI. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

- XII. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the shareholders meeting.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

- XIII. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

- XIV. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.
- XV. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The voting results shall be announced on-site immediately, and a record shall be made of the vote. The announcement of the voting results of an election shall include the names of those elected and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.
- XVI. When a meeting is in progress, the chair may announce a break based on time considerations.
- XVII. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. If there is no objection by any shareholders present following an inquiry by the chair, the proposal shall be deemed passed with the same effect as a poll.
A shareholder shall be entitled to one vote for each share held, except for shares held by the Company under the Company Act.
- XVIII. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any of the proposals is passed, the other proposals will be deemed rejected, and no further voting shall be required.
- XIX. The chair may direct proctors (or security personnel) to help maintain order at the meeting place. When proctors (security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- XX. All matters not provided in these Rules are handled in accordance with the Company Act and the Company's Articles of Incorporation.
- XXI. These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.
- XXII. These Rules were formulated on June 20, 1990; the 1st amendments were made on May 29, 1999; the 2nd amendments were made on May 30, 2002; and the 3rd amendments were made on July 23, 2021.

[Appendix III]

Sunfon Construction Co., Ltd. – Regulations Governing the Acquisition and Disposal of Assets

Article 1. Purpose and legal basis

These Regulations are formulated in accordance with related regulations set out in the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”

Article 2. Applicable scope

The term “assets” as used in these Regulations includes the following:

- I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
- III. Memberships.
- IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives (the Company does not engage in derivatives trading).
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other major assets.

Article 3. Assessment procedure

- I. For the acquisition or disposal of securities that are not traded over a centralized exchange market or at a securities firm’s place of business, it shall be determined by taking the net worth per share, profitability, future development potential, market interest rates, coupon rates of bonds, debtor’s credit and the prevailing price at the time into account.
- II. For the acquisition or disposal of securities that are traded over a centralized exchange market or at a securities firm’s place of business, it shall be determined by the prevailing price of the shares or bonds at the time.
- III. The acquisition or disposal of assets other than those in the preceding two paragraphs may be made through one of the methods of inquiry of price, comparison of price, price negotiation or public tender, evaluation of present value, and actual transaction prices of nearby real properties. If the criteria of these Regulations for reporting are met, the appraisal report of a professional appraiser shall be referred to.

Article 4. Procedures for the acquisition or disposal of assets

- I. When acquiring or disposing of assets, the unit in charge shall evaluate the reason, underlying asset, counterparty, the transfer price, the terms of receipt and payment, and the basis for the price, and then submit them to the authority for determination.

Related matters are handled in accordance with the Company's internal control system regarding related operations and these Regulations.

- II. The investment risk concerning the acquisition or disposal of long-term and short-term securities investments are analyzed and evaluated by the Finance Department. For the acquisition or disposal of real property and other fixed assets, units shall propose a capital expenditure plan to perform assessments on the purpose and expected benefits of the acquisition or disposal of real estate and other fixed assets. The plan is then submitted to the Finance Department for budgeting. According to the contents of the plan, control is conducted; in the event of acquisition of real property from a related party, aside from a joint construction contract, a cash flow forecast for each month for the coming year beginning from the scheduled contract month should also be prepared, while assessing the necessity and reasonableness of the capital utilization.
- III. The executive unit for long-term and short-term securities investments is the Finance Department; while the executive unit for real property and other fixed assets is the Use Department and the related authority.
- IV. Matters concerning the acquisition or disposal of assets are handled in accordance with the Company's internal control system. If any material violation is found, the managerial officer and the personnel in charge shall be penalized depending on the situation of the violation.

Article 5. Approval authority

Except as provided below, the acquisition or disposal of assets must be submitted to and approved by the board of directors.

- I. For acquiring or disposing securities on the centralized trading market or TPEX, the Company authorizes the president and the chairperson to perform transactions within the limit set out under Article 6 of these Regulations. The transaction shall be submitted to the next board meeting for ratification. Where the transaction meets the criteria for public announcement and reporting under Article 7, it must be reported to the chairperson on the following day.
- II. The acquisition or disposal of real property or right-of-use assets for business use amounting to less than NT\$600 million (inclusive) shall be approved by the president and chairperson; where the amount is over NT\$600 million, it is subject to the approval of the board of directors.

Article 6. Investment limit

The total amount of investment in real property, right-of-use assets or securities not for business use shall not exceed the total net worth of the Company. The amount of investment in securities may not exceed the total net worth of the Company and the amount of investment in individual securities shall not exceed 50 percent of the total net worth of the Company.

The net worth of the preceding paragraph is calculated based on the amount of equity attributable to owners of parent in the most recent financial report audited or reviewed by the CPAs.

Article 7. Public announcement and reporting criteria

Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website designated by the Securities & Futures Institution (SFI) in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

- I. Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. However, this does not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- II. Merger, demerger, acquisition, or transfer of shares.
- III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the Regulations adopted by the Company.
- IV. Where equipment or right-of-use assets for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - (I) Paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - (II) Paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- V. Acquisition or disposal by the Company in the construction business of real property or right-of-use assets for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the Company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.
- VI. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.
- VII. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million or more. However, this shall not apply to the following circumstances:
 - (I) Trading of domestic government bonds.
 - (II) Where done by professional investors, securities trading on securities exchanges or securities firm's place of business, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics in the primary market.
 - (III) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment

trust enterprises.

The amount of transactions above shall be calculated as follows:

- I. The amount of any individual transaction.
- II. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
- III. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets within the same development project within the preceding year.
- IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

“Within the preceding year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the SFI by the 10th day of each month.

When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall again be publicly announced and reported in their entirety within two days counting inclusively from the date of learning of such error or omission.

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, and they shall be retained for 5 years except where other regulations provide otherwise.

Article 8. Public announcement and reporting timeframe

Where any of the following circumstances occur with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the SFI within 2 days counting inclusively from the date of occurrence of the event:

- I. Change, termination, or rescission of a contract signed in regard to the original transaction.
- II. The merger, demerger, acquisition, or transfer of shares has not been completed by the scheduled date set forth in the contract.
- III. Change to the originally publicly announced and reported information.

Article 9.

In acquiring or disposing of real property, equipment, or right-of-use assets where the transaction amount reaches 20 percent of the Company’s paid-in capital or NT\$300 million or more, the Company, unless trading with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets held for business use, shall obtain an appraisal report prior to

the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- I. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- III. Where any one of the following circumstances are applicable with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (I) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - (II) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- IV. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. However, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report and the certified public accountant's opinion under Subparagraph (III) of the preceding paragraph[A1] shall be obtained within 2 weeks counting inclusively from the date of occurrence.

Article 10.

The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the

competent authorities.

Article 11.

Where the Company acquires or disposes of intangible assets or right-of-use assets or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

Article 11-1:

The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 7, Paragraph II herein, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA’s opinion has been obtained need not be counted toward the transaction amount.

Article 12.

Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 13.

Professional appraisers and their officers, CPA, attorneys, and securities underwriters that provide the Company with appraisal reports or opinion letters of such certified public accountants, attorneys or securities underwriters shall not be related parties of the counterparty.

Article 14.

When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company’s total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA’s opinion in compliance with the requirements.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 11-1 of these Regulations.

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 15.

When the Company intends to acquire or dispose of real property or right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets from or to a related party and the transaction amount reaches 20 percent or more of the paid-in capital, 10 percent or more of the Company’s total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase

and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the majority of the audit committee and submitted to the board of directors for approval:

- I. The purpose, necessity and anticipated benefits of the acquisition or disposal of assets.
- II. The reason for choosing the related party as a transaction counterparty.
- III. With respect to the acquisition of real property or right-of-use assets from a related party, information regarding the appraisal of the reasonableness of the preliminary transaction terms in accordance with regulations.
- IV. The date and price at which the related party originally acquired the property, the original transaction counterparty, and that transaction counterparty's relationship with the Company and the related party.
- V. Monthly cash flow forecasts for the year starting from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- VII. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 7, Paragraph II herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may, pursuant to Article 5, Paragraph I, Subparagraph (II) of these Regulations, delegate the chairperson to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

- I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
- II. Acquisition or disposal of real property right-of-use assets held for business use.

When a matter is submitted for discussion by the board of directors pursuant to Paragraph I of Regulations Governing the Acquisition or Disposal of Assets, the board of directors shall take each independent director's opinions into full consideration. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Article 16.

When the Company acquires real property or right-of-use assets from a related party, other than the under the following four circumstances, it shall assess the reasonableness of the transaction cost and engage a CPA to check the appraisal and render a specific opinion:

- I. The related party acquired the real property or right-of-use assets through inheritance or as a gift.

- II. More than 5 years have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets to the signing date for the current transaction.
- III. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
- IV. The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

Article 17.

Where the Company acquires real property or right-of-use assets from a related party and the results of appraisals conducted in accordance with the regulations are uniformly lower than the transaction price, the following steps shall be taken:

- I. A special reserve shall be set aside in accordance with regulations against the difference between the real property transaction price and the appraised cost, which may not be distributed or used for capital increase or issuance of bonus shares. For investments made by the Company accounted for using the equity method, if the company is a public company, then a special reserve shall be set aside in accordance with regulations pro rata in a proportion consistent with the share of the Company's equity stake in the other company.
- II. The audit committee shall comply with Article 218 of the Company Act.
- III. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

Where the Company has set aside a special reserve under the preceding paragraph, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the competent authority has given its consent.

When the Company obtains property or right-of-use assets from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

Article 18.

The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on the reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in

which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

The Company participating in a merger, demerger, acquisition, shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in the preceding paragraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. However, where the provisions of other laws exempt a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restrictions, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 19.

The Company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless otherwise required by laws or there are special factors.

The Company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless other laws provide otherwise or the competent authorities are notified in advance of extraordinary circumstances and grant consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded in a securities firm's place of business shall prepare a full written record of the following information and retain it for 5 years for reference:

- I. Basic identification data for personnel: including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
- II. Dates of material events: including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
- III. Important documents and minutes: including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on a securities firm's place of business shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report the information set out in Subparagraphs (I) and (II) of the

preceding paragraph in the prescribed format and via the Internet-based information system to the competent authorities for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded in a securities firm's place of business, the company so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.

Article 20.

The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the circumstances listed below, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

- I. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
- II. An action, such as a disposal of major assets, that affects the company's financial operations.
- III. An event, such as a major disaster or major change in technology, that affects the company's shareholder equity or share price.
- IV. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock in accordance with law.
- V. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
- VI. Other terms and conditions that the contract stipulates may be altered and that have been publicly disclosed.

Contracts of the Company's mergers, demergers, acquisitions or transfers of shares have set forth the relevant matters to protect the rights and interest of the participating companies.

Article 21. Acquisition or disposal of assets of subsidiaries

- I. For real property and right-of-use assets or securities other than those purchased by the subsidiaries not for business use, the aggregate amount of investment may not exceed their paid-in capital; the investment in securities shall not exceed their total paid-in capital; and for the purchase of individual securities, the investment amount may not exceed 50 percent of their paid-in capital. The acquisition or disposal of assets by subsidiaries shall be handled in accordance with the parent company's rules.
- II. Information required to be publicly announced and reported in accordance with the provisions of Article 7 on acquisitions and disposals of assets by a public company's subsidiary that is not itself a domestic public company shall be reported by the parent company.
- III. The term "transaction amount reaches 20 percent of the company's paid-in capital or 10 percent of the Company's total assets" as used in the criteria for public announcement and reporting standards for subsidiaries is based on the parent

company's paid-in capital or total assets.

So-called "subsidiaries" are investment holding companies in which the Company directly holds 50 percent or more of the issued voting shares or investment holding companies in which the Company indirectly holds 50 percent or more of the issued voting shares through a subsidiary, and so on, or investment holding companies in which the Company directly and indirectly through a subsidiary holds 50 percent or more of the issued voting shares, and so on.

Article 22. Financial statements disclosures

Where the Company acquires or disposes of assets that meet the criteria for public announcement and reporting pursuant to Article 7 of these Regulations, and has a substantive related party relationship with the transaction counterparty, the contents of the public announcement shall be disclosed in the notes to the financial statements and reported to the shareholders meeting.

Article 22-1

For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or a par value other than NT\$10 per share, for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be used for the calculation.

Article 23. Implementation date

I. These Regulations shall be approved by the majority of the audit committee, and after they have been approved by the board of directors, they shall be submitted to a shareholders meeting for approval; the same applies when the Regulations are amended.

When the Regulations Governing the Acquisition and Disposal of Assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take each independent director's opinions into full consideration. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

II. These Regulations were formulated on November 29, 1999. The 1st amendments were made on March 12, 2003; the 2nd amendments were made on March 21, 2008; the 3rd amendments were made on June 15, 2012; the 4th amendments were made on June 21, 2013; the 5th amendments were made on June 4, 2014; the 6th amendments were made on May 28, 2015; the 7th amendments were made on May 26, 2017; the 8th amendments were made on May 29, 2019; and the 9th amendments were made on July 23, 2021.

[Appendix IV]

Director Shareholding Information

- (I) Minimum Shareholding Required for All Directors and Details of Shareholding of All Directors Recorded on the Shareholders' Roster

Title	Number of shares to be held	Number of shares as recorded in the shareholders register
Director	12,000,000 shares	29,847,740 shares

Note: Closing date: March 28, 2022

- (II) Details of shares held by directors

Title	Name	Number of shares registered on shareholders' roster	Ratio
Chairperson	Hung Min-Fu (representative, Don Tai Development Co., Ltd.)	13,429,500	6.46%
Director	Lin I-Wei (representative, Don Tai Development Co., Ltd.)		
Director	Chuang Yu-Te (representative, Yo-Li Investment Co., Ltd.)	14,000,100	6.73%
Director	Jean Jyi-Dean (representative, Yo-Li Investment Co., Ltd.)		
Director	Representative of Golden Plaza Cultural & Education Foundation: Huang Cheng-Yuan	2,118,600	1.02%
Director	Chen Tsung-Jen	299,540	0.14%
Independent director	Huang Tse-Jen	0	0%
Independent Director	Lin Wen-Fang	0	0%
Independent Director	Wu Chen-Chi	0	0%

Note: Closing date: March 28, 2022

[Appendix V]

Report of Independent Auditors

To SUNFON CONSTRUCTION CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of Sunfon Construction Co., Ltd. (the “Company”) and its subsidiaries (collectively the “Group”) as of December 31, 2021, and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021, and 2020, and notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, based on our audits, the consolidated financial statements referred to above present fairly in all material respects, the financial position of the Group as of December 31, 2021 and 2020, and financial performance and its cash flows for the years ended December 31, 2021 and 2020, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for Opinions

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 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.

Valuation of Inventories

The primary business of the Group is the construction of residential and commercial buildings. The inventories of the Group consist principally of land held for construction site, construction in progress, and land and buildings held for sale. As of December 31, 2021, the net amount of the inventories was NTD 1,837,463 thousand, which accounted for 42% of the consolidated total assets and was considered material to the consolidated financial statements. In addition, the real estate development is subject to political influence, general economy, market prospect, and property tax system reforms, which added to the difficulties and risks in management's assessment over the value of the inventories. As the valuation of inventories had significant impact on the consolidated financial statements, we considered this a key audit matter.

For the valuation of inventories, we have conducted audit procedures including but not limited to obtaining the appraisal reports concerning net realizable value of inventories and analysis of the land development, to evaluate and test the reasonableness of net realizable value estimated by management. In addition, we analyzed the report based on the industry development trends and the expected demands of the market, also inquired the most recent closing price and transaction price of similar construction projects in nearby areas (including public information from the Department of Land Administration, Ministry of Interior and real estate agents), in order to evaluate whether declines in inventory value did occur.

As of December 31, 2021, the inventory of Sunfon Construction Co., Ltd. and its subsidiaries has been disclosed and presented in Notes 4, 5 and 6 in the consolidated financial statements.

Non-current financial assets at fair value through other comprehensive income

As of December 31, 2021, the net amount of the non-current financial assets at fair value through other comprehensive income of the Group amounted to NTD 1,002,737 thousand, which accounted for 23% of the consolidated total assets and were domestic listed stocks and funds investments mainly. In addition, the net amount of the unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income amounted to NTD 161,871 thousand, and the net amount of the dividends revenue was NTD 43,080 thousands which were the major source of income for the year ended December 31, 2021. In conclusion, the transaction of the non-current financial assets at fair value through other comprehensive income had significant impact on the consolidated financial statements, we considered this a key audit matter.

For the ownership and existence of non-current financial assets at fair value through other comprehensive income, we have conducted audit procedures including but not limited to check the passbook of Taiwan Depository & Clearing Corporation and send confirmation letters to securities companies. We checked the bank statements and securities companies'

statements to verify the authenticity of trading and the accuracy of gains or losses from selling financial assets measured at fair value through other comprehensive income. We verified the accuracy of valuation gains or losses of financial assets measured at fair value through other comprehensive income in the end of period by checking investment's market price at end of period and calculating its valuation gain or loss. We also checked the relevant information of dividend statements to verify the authenticity and accuracy of recognition of dividends revenue.

As of December 31, 2021, the non-current financial assets measured at fair value through other comprehensive income of Sunfon Construction Co., Ltd. and its subsidiaries have been disclosed and presented in Note 6, Note 12 and Attachment 2 in the consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 the consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We have audited and expressed unqualified opinions in the parent company only financial statements of the Company for the years ended December 31, 2021 and 2020.

Yang Chih-Hui

Hsu Hsin-Min

Ernst & Young, Taiwan
March 8, 2022

Taipei, Taiwan
Republic of China

English translation of consolidated financial statements originally issued in Chinese
SUNFON CONSTRUCTION CO., LTD. AND SUBSIDIARIES
Consolidated Balance Sheet
December 31, 2021 and December 31, 2020
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2021		December 31, 2020		Liabilities and Equity		December 31, 2021		December 31, 2020	
Accounts	Notes	Amount	%	Amount	%	Accounts	Notes	Amount	%	Amount	%
Current assets						Current liabilities					
Cash and cash equivalents	4、6	\$608,603	14	\$395,292	12	Short-term loans	4、6、8	\$492,991	11	\$363,190	11
Inventory	4、5、6、8	1,837,463	42	1,557,223	47	Short-term notes and bills payable, net	4、8	200,000	5	-	-
Prepayments		615	-	243	-	Contract liabilities	4、6	759,307	17	122,725	4
Other current assets		430,435	10	87,024	3	Notes payable		17,601	-	5,911	-
Current assets recognised as incremental costs to obtain contract with customer	6	144,959	3	27,874	1	Accounts payable		22,075	1	19,742	1
Total current assets		3,022,075	69	2,067,656	63	Other payables		11,411	1	14,212	1
						Current tax liabilities	4	3,697	-	44,868	1
						Other current liabilities-other		2,308	-	4,502	-
						Total current liabilities		1,509,390	35	575,150	18
Non-current assets						Non-current liabilities					
Financial assets at fair value through other comprehensive income, non-current	4、6、8	1,002,737	23	905,060	27	Net defined benefit liabilities, non-current	4、6	9,724	-	10,450	-
Property, plant and equipment	4、6、8	44,417	1	45,051	1	Other non-current liabilities-other		590	-	590	-
Investment property, net	4、5、6、8	293,458	7	295,037	9	Total non-current liabilities		10,314	-	11,040	-
Intangible assets	4、6	475	-	497	-	Total liabilities		1,519,704	35	586,190	18
Deferred tax assets	4	715	-	715	-						
Other non-current assets		9,343	-	1,823	-						
Total non-current assets		1,351,145	31	1,248,183	37	Equity attributable to the parent company					
						Share capital					
						Ordinary share	6	2,079,091	48	1,943,076	59
						Additional paid in capital	6	30,454	1	26,557	1
						Retained earnings	6				
						Legal reserve		353,297	8	333,007	10
						Speccial reserve		9,733	-	9,733	-
						Unappropriated earnings		62,049	1	260,254	8
						Total retained earnings		425,079	9	602,994	18
						Other equities		342,260	8	180,389	5
						Treasury stock	4、6	(23,385)	(1)	(23,385)	(1)
						Non-controlling interest	6	17	-	18	-
						Total equity		2,853,516	65	2,729,649	82
Total assets		\$4,373,220	100	\$3,315,839	100	Total liabilities and equity		\$4,373,220	100	\$3,315,839	100

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

English translation of consolidated financial statements originally issued in Chinese
SUNFON CONSTRUCTION CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	For the years ended			
		December 31, 2021	%	December 31, 2020	%
Operating revenues	4、6	\$5,650	100	\$666,812	100
Operating costs	6	(1,843)	(33)	(406,147)	(61)
Gross profit		3,807	67	260,665	39
Operating expenses	6				
Selling and marketing expenses		(115)	(2)	(737)	-
Administrative expenses		(48,130)	(851)	(49,149)	(7)
Total operating expenses		(48,245)	(853)	(49,886)	(7)
Operating (loss) income		(44,438)	(786)	210,779	32
Non-operating income and expenses	6				
Interest income		1,220	22	1,733	-
Other income		44,829	793	42,827	7
Other gains and losses, net		(1,288)	(23)	1,677	-
Finance costs, net		(3,059)	(54)	(4,693)	(1)
Total non-operating income and expenses		41,702	738	41,544	6
(Loss) income from continuing operations before income tax		(2,736)	(48)	252,323	38
Income tax expense	4、5、6	(4,626)	(82)	(47,705)	(7)
Net (loss) income		(7,362)	(130)	204,618	31
Other comprehensive income (loss)	6				
Items that will not be reclassified subsequently to profit or loss					
Gains (losses) on remeasurements of defined benefit plans		(155)	(3)	(1,726)	-
Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income		161,871	2,865	(28,688)	(5)
Total other comprehensive income (loss)		161,716	2,862	(30,414)	(5)
Total comprehensive income		\$154,354	2,732	\$174,204	26
Net (loss) profit attributable to:					
Parent		\$(7,361)		\$204,629	
Non-controlling interests		(1)		(11)	
		\$(7,362)		\$204,618	
Total comprehensive income attributable to:					
Parent		\$154,355		\$174,215	
Non-controlling interests		(1)		(11)	
		\$154,354		\$174,204	
Earnings per share (in dollars)	6				
Basic earnings per share					
Net (loss) income		(\$0.04)		\$1.03	
Diluted earnings per share	6				
Net (loss) income		(\$0.04)		\$1.02	

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

English translation of consolidated financial statements originally issued in Chinese
SUNFON CONSTRUCTION CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Item	Equity attributable to owners of parent								Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings			Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury stock	Total		
			Legal reserve	Special reserve	Unappropriated retained earnings					
Balance as of January 1, 2020	\$1,766,433	\$23,014	\$298,876	\$9,733	\$356,447	\$209,077	\$(23,385)	\$2,640,195	\$29	\$2,640,224
Appropriation and distribution of 2019 retained earnings :										
Legal reserve appropriated	-	-	34,131	-	(34,131)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(88,322)	-	-	(88,322)	-	(88,322)
Stock dividends of ordinary share	176,643	-	-	-	(176,643)	-	-	-	-	-
Change in other additional paid in capital										
Adjustment of additional paid in capital by dividends paid to subsidiaries	-	3,543	-	-	-	-	-	3,543	-	3,543
Net income for 2020	-	-	-	-	204,629	-	-	204,629	(11)	204,618
Other comprehensive income, net of tax, for 2020	-	-	-	-	(1,726)	(28,688)	-	(30,414)	-	(30,414)
Total comprehensive income (loss)	-	-	-	-	202,903	(28,688)	-	174,215	(11)	174,204
Balance as of December 31, 2020	<u>\$1,943,076</u>	<u>\$26,557</u>	<u>\$333,007</u>	<u>\$9,733</u>	<u>\$260,254</u>	<u>\$180,389</u>	<u>\$(23,385)</u>	<u>\$2,729,631</u>	<u>\$18</u>	<u>\$2,729,649</u>
Appropriation and distribution of 2020 retained earnings :										
Legal reserve appropriated	-	-	20,290	-	(20,290)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(97,154)	-	-	(97,154)	-	(97,154)
Stock dividends of ordinary share	136,015	-	-	-	(136,015)	-	-	-	-	-
Change in other additional paid in capital										
Adjustment of additional paid in capital by dividends paid to subsidiaries	-	3,897	-	-	-	-	-	3,897	-	3,897
Other equity										
Disposal of equity instruments investments measured at fair value through other comprehensive income	-	-	-	-	62,770	-	-	62,770	-	62,770
Net income for 2021	-	-	-	-	(7,361)	-	-	(7,361)	(1)	(7,362)
Other comprehensive income, net of tax, for 2021	-	-	-	-	(155)	161,871	-	161,716	-	161,716
Total comprehensive income (loss)	-	-	-	-	(7,516)	161,871	-	154,355	(1)	154,354
Balance as of December 31, 2021	<u>\$2,079,091</u>	<u>\$30,454</u>	<u>\$353,297</u>	<u>\$9,733</u>	<u>\$62,049</u>	<u>\$342,260</u>	<u>\$(23,385)</u>	<u>\$2,853,499</u>	<u>\$17</u>	<u>\$2,853,516</u>

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

English translation of consolidated financial statements originally issued in Chinese
SUNFON CONSTRUCTION CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Item	For the years ended	
	December 31, 2021	December 31, 2020
Cash flows from operating activities :		
Net (loss) income before tax	\$(2,736)	\$252,323
Adjustments :		
Income and expenses		
Depreciation expense	2,213	2,137
Amortization expense	107	17
Interest expense	3,059	4,693
Interest revenue	(1,220)	(1,733)
Dividend revenue	(43,080)	(40,431)
Losses on disposals of investment property	-	11
Reversal of impairment loss recognised in profit or loss, non-financial assets	-	(2,047)
Changes in operating assets and liabilities :		
Decrease in inventories	(276,898)	(164,329)
(Increase) decrease in prepayments	(372)	2,250
Increase in other current assets costs to obtain contract with customers	(343,405)	(47,434)
Increase in current assets recognised as incremental	(117,085)	(13,854)
Increase in contract liabilities	636,582	25,629
Increase (decrease) in notes payables	11,690	(1,964)
Increase (decrease) in accounts payables	2,333	(9,986)
Decrease in other payables	(2,895)	(2,706)
(Decrease) increase in other current liability, others	(2,194)	1,537
Decrease in net defined benefit liabilities, non-current	(881)	(1,500)
Cash (outflow) inflow generated from operations	<u>(134,782)</u>	<u>2,613</u>
Interest received	1,214	1,908
Income tax paid	<u>(45,797)</u>	<u>(64,218)</u>
Net cash flows used in operating activities	<u>(179,365)</u>	<u>(59,697)</u>
Cash flows from (used in) investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(6,634)	(4,802)
Disposal of financial assets at fair value through other comprehensive income	133,598	-
Acquisition of property, plant and equipment	-	(1,117)
Acquisition of intangible assets	(85)	(514)
Increase in other non-current assets	(7,520)	(28)
Dividend received	43,080	40,431
Net cash flows from investing activities	<u>162,439</u>	<u>33,970</u>
Cash flows from (used in) financing activities :		
Increase in short-term loans	129,801	54,190
Increase in bonds payable	200,000	-
Decrease in bonds payable	-	(100,000)
Repayments of long-term loans	-	(73,500)
Decrease in other non-current liabilities, others	-	(140)
Cash dividends paid	(93,257)	(84,779)
Interest paid (Including capitalized interests)	<u>(6,307)</u>	<u>(5,699)</u>
Net cash flows from (used in) financing activities	<u>230,237</u>	<u>(209,928)</u>
Net Increase (decrease) in cash and cash equivalents	213,311	(235,655)
Cash and cash equivalents at beginning of period	<u>395,292</u>	<u>630,947</u>
Cash and cash equivalents at end of period	<u>\$608,603</u>	<u>\$395,292</u>

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

Report of Independent Auditors

To SUNFON CONSTRUCTION CO., LTD.

Opinion

We have audited the accompanying parent only balance sheets of Sunfon Construction Co., Ltd. (the “company”) as of December 31, 2021, and 2020, and the related parent only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021, and 2020, and notes to the parent company only financial statements (including the summary of significant accounting policies).

In our opinion, based on our audits, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and financial performance and its cash flows for the years ended December 31, 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinions

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 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.

Valuation of Inventories

The primary business of the Company is the construction of residential and commercial buildings. The inventories of Company consist principally of land held for construction site, construction in progress, and land and buildings held for sale. As of December 31, 2021, the net amount of the inventories was NTD 1,850,618 thousands, which accounted for 43% of the parent company only total assets and was considered material to the parent company only financial statements. In addition, the real estate development is subject to political influence, general economy, market prospect, and property tax system reforms, which added to the difficulties and risks in management's assessment over the value of the inventories. As the valuation of inventories had significant impact on the parent company only financial statements, we considered this a key audit matter.

For the valuation of inventories, we have conducted audit procedures including but not limited to obtaining the appraisal reports concerning net realizable value of inventories and analysis of the land development, to evaluate and test the reasonableness of net realizable value estimated by management. In addition, we analyzed the report based on the industry development trends and the expected demands of the market, also inquired the most recent closing price and transaction price of similar construction projects in nearby areas (including public information from the Department of Land Administration, Ministry of Interior and real estate agents), in order to evaluate whether declines in inventory value did occur.

As of December 31, 2021, the inventory of the Company has been disclosed and presented in Notes 4, 5 and 6 in the Parent Company only Financial Statements.

Non-current financial assets at fair value through other comprehensive income

As of December 31, 2021, the net amount of the non-current financial assets at fair value through other comprehensive income of the Company amounted to NTD 1,002,737 thousands, which accounted for 24% of the parent company only total assets and were domestic listed stocks and funds investments mainly. In addition, the net amount of the unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income amounted to NTD 161,871 thousand, and the net amount of the dividends revenue was NTD 43,977 thousand, which were the major source of income for the year ended December 31, 2021. In conclusion, the transaction of the non-current financial assets at fair value through other comprehensive income had significant impact on the parent company only financial statements, we considered this a key audit matter.

For the ownership and existence of non-current financial assets at fair value through other comprehensive income, we have conducted audit procedures including but not limited to check the passbook of Taiwan Depository & Clearing Corporation and send confirmation

letters to securities companies. We checked the bank statements and securities companies' statements to verify the authenticity of trading and the accuracy of gains or losses from selling financial assets measured at fair value through other comprehensive income. We verified the accuracy of valuation gains or losses of financial assets measured at fair value through other comprehensive income in the end of period by checking investment's market price at end of period and calculating its valuation gain or loss. We also checked the relevant information of dividend statements to verify the authenticity and accuracy of recognition of dividends revenue.

As of December 31, 2021, the non-current financial assets measured at fair value through other comprehensive income of Sunfon Construction Co., Ltd. has been disclosed and presented in Note 6(2), Note 12 and Attachment 2 in the Parent Company only Financial Statements.

Responsibilities of Management and Those Charged with Governance for the Parent Company only Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

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

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 2021 the parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yang Chih-Hui

Hsu Hsin-Min

Ernst & Young, Taiwan
March 8, 2022

Taipei, Taiwan
Republic of China

English translation of parent company only financial statements originally issued in Chinese
SUNFON CONSTRUCTION CO., LTD. AND SUBSIDIARIES
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2021 and December 31, 2020
(Expressed in Thousands of New Taiwan Dollars)

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

		December 31, 2021		December 31, 2020				December 31, 2021		December 31, 2020	
	Notes	Amount	%	Amount	%		Notes	Amount	%	Amount	%
Current assets						Current liabilities					
Cash and cash equivalents	4、6	\$604,177	14	\$391,875	12	Short-term loans	4、6、8	\$464,991	11	\$350,190	11
Inventory	4、5、6、8	1,850,618	43	1,570,227	48	Short-term notes and bills payable, net	4、8	200,000	5	-	-
Prepayments		318	-	243	-	Contract liabilities	6	759,302	18	122,714	4
Other current assets		430,429	10	87,024	3	Notes payable		12,366	-	1,133	-
Current assets recognised as incremental costs to obtain contract with customers	6	144,959	3	27,874	1	Accounts payable		8,650	-	2,423	-
Total current assets		3,030,501	70	2,077,243	64	Accounts payable-related parties	7	15,238	-	6,667	-
						Other payables		8,915	-	11,576	-
						Current tax liabilities	4	3,697	-	44,868	2
						Other current liabilities-other		2,129	-	4,288	-
						Total current liabilities		1,475,288	34	543,859	17
Non-current assets						Non-current liabilities					
Financial assets at fair value through other comprehensive income, non-current	4、6、8	1,002,737	24	905,060	28	Net defined benefit liabilities, non-current	4、6	5,233	-	5,977	-
Investments accounted for under the equity method	4、6	11,687	-	13,689	-	Other non-current liabilities-other		339	-	339	-
Property, plant and equipment	4、6、8	44,417	1	45,051	1	Total non-current liabilities		5,572	-	6,316	-
Investment property, net	4、5、6、8	235,204	5	236,483	7						
Intangible assets	4、6	475	-	497	-	Total liabilities		1,480,860	34	550,175	17
Other non-current assets		9,338	-	1,783	-	Equity attributable to the parent company					
Total non-current assets		1,303,858	30	1,202,563	36	Share capital					
						Ordinary share	4、6	2,079,091	48	1,943,076	59
						Additional paid in capital	6	30,454	1	26,557	1
						Retained earnings	6				
						Legal reserve		353,297	8	333,007	10
						Speccial reserve		9,733	-	9,733	-
						Unappropriated earnings		62,049	1	260,254	8
						Total retained earnings		425,079	9	602,994	18
						Other equities		342,260	9	180,389	6
						Treasury stock	4、6	(23,385)	(1)	(23,385)	(1)
						Total equity		2,853,499	66	2,729,631	83
Total assets		\$4,334,359	100	\$3,279,806	100	Total liabilities and equity		\$4,334,359	100	\$3,279,806	100

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

English translation of parent company only financial statements originally issued in Chinese
SUNFON CONSTRUCTION CO., LTD. AND SUBSIDIARIES
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	For the years ended			
		December 31, 2021		December 31, 2020	
			%		%
Operating revenues	4、5、6	\$5,770	100	\$666,932	100
Operating costs	6	(7,982)	(138)	(393,386)	(59)
Gross (loss) profit		(2,212)	(38)	273,546	41
Operating expenses	6				
Selling and marketing expenses		(115)	-	(737)	-
Administrative expenses		(34,850)	(604)	(37,870)	(6)
Total operating expenses		(34,965)	(604)	(38,607)	(6)
Operating (loss) income		(37,177)	(642)	234,939	35
Non-operating income and expenses	6				
Interest income		1,219	20	1,731	-
Other income		43,197	749	40,499	6
Other gains and losses, net		(1,288)	(22)	(357)	-
Finance costs, net		(2,848)	(49)	(4,550)	-
Share of profit or loss of associates and joint ventures accounted for using equity method, net		(5,838)	(101)	(19,928)	(3)
Total non-operating income and expenses		34,442	597	17,395	3
(Loss) income from continuing operations before income tax		(2,735)	(48)	252,334	38
Income tax expense	4、5、6	(4,626)	(80)	(47,705)	(7)
Net (loss) income		(7,361)	(128)	204,629	31
Other comprehensive income (loss)	6				
Items that will not be reclassified subsequently to profit or loss					
Gains (losses) on remeasurements of defined benefit plans		(94)	(2)	(1,490)	-
Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income		161,871	2,805	(28,688)	(5)
Share of other comprehensive income of subsidiaries, associate and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(61)	-	(236)	-
Total other comprehensive income (loss)		161,716	2,803	(30,414)	(5)
Total comprehensive income		\$154,355	2,675	\$174,215	26
Earnings per share (in dollars)	6				
Basic earnings per share					
Net (loss) income		(\$0.04)		\$1.03	
Diluted earnings per share	6				
Net (loss) income		(\$0.04)		\$1.02	

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

English translation of parent company only financial statements originally issued in Chinese
SUNFON CONSTRUCTION CO., LTD. AND SUBSIDIARIES
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Share capital	Capital surplus	Retained earnings			Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury stock	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings			
Balance as of January 1, 2020	\$1,766,433	\$23,014	\$298,876	\$9,733	\$356,447	\$209,077	\$(23,385)	\$2,640,195
Appropriation and distribution of 2019 retained earnings :								
Legal reserve appropriated	-	-	34,131	-	(34,131)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(88,322)	-	-	(88,322)
Stock dividends of ordinary share	176,643	-	-	-	(176,643)	-	-	-
Change in other additional paid in capital								
Adjustment of additional paid in capital by dividends paid to subsidiaries	-	3,543	-	-	-	-	-	3,543
Net income for 2020	-	-	-	-	204,629	-	-	204,629
Other comprehensive income, net of tax, for 2020	-	-	-	-	(1,726)	(28,688)	-	(30,414)
Total comprehensive income (loss)	-	-	-	-	202,903	(28,688)	-	174,215
Balance as of December 31, 2020	<u>\$1,943,076</u>	<u>\$26,557</u>	<u>\$333,007</u>	<u>\$9,733</u>	<u>\$260,254</u>	<u>\$180,389</u>	<u>\$(23,385)</u>	<u>\$2,729,631</u>
Appropriation and distribution of 2020 retained earnings :								
Legal reserve appropriated	\$-	\$-	\$20,290	\$-	\$(20,290)	\$-	\$-	\$-
Cash dividends of ordinary share	-	-	-	-	(97,154)	-	-	(97,154)
Stock dividends of ordinary share	136,015	-	-	-	(136,015)	-	-	-
Change in other additional paid in capital								
Adjustment of additional paid in capital by dividends paid to subsidiaries	-	3,897	-	-	-	-	-	3,897
Other equity								
Disposal of equity instruments investments measured at fair value through other comprehensive income	-	-	-	-	62,770	-	-	62,770
Net income for 2021	-	-	-	-	(7,361)	-	-	(7,361)
Other comprehensive income, net of tax, for 2021	-	-	-	-	(155)	161,871	-	161,716
Total comprehensive income (loss)	-	-	-	-	(7,516)	161,871	-	154,355
Balance as of December 31, 2021	<u>\$2,079,091</u>	<u>\$30,454</u>	<u>\$353,297</u>	<u>\$9,733</u>	<u>\$62,049</u>	<u>\$342,260</u>	<u>\$(23,385)</u>	<u>\$2,853,499</u>

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

English translation of parent company only financial statements originally issued in Chinese
SUNFON CONSTRUCTION CO., LTD. AND SUBSIDIARIES
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Item	For the years ended	
	December 31, 2021	December 31, 2020
Cash flows from operating activities :		
Net (loss) income before tax	\$(2,735)	\$252,334
Adjustments :		
Income and expenses		
Depreciation expense	1,913	1,886
Amortization expense	107	17
Interest expense	2,848	4,550
Interest revenue	(1,219)	(1,731)
Dividend revenue	(43,077)	(40,429)
Share of loss (profit) of associates and joint ventures	5,838	19,928
Changes in operating assets and liabilities :		
Increase in inventories	(277,049)	(171,241)
(Increase) decrease in prepayments	(75)	844
Increase in other current assets costs to obtain contract with customers	(343,399)	(47,434)
Increase in current assets recognised as incremental	(117,085)	(13,854)
Increase in contract liabilities	636,588	25,623
Increase in notes payables	11,233	435
Increase in accounts payables	6,227	2,408
Increase (decrease) in accounts payables-related parties	8,571	(14,057)
Decrease in other payables	(2,766)	(2,987)
Decrease in net defined benefit liabilities, non-current	(838)	(1,485)
(Decrease) increase in other current liability, others	(2,159)	1,522
Cash (outflow) inflow generated from operations	<u>(117,077)</u>	<u>16,329</u>
Interest received	1,213	1,906
Income tax paid	(45,797)	(64,218)
Net cash flows used in operating activities	<u>(161,661)</u>	<u>(45,983)</u>
Cash flows from (used in) investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(6,634)	(4,802)
Disposal of financial assets at fair value through other comprehensive income	133,598	-
Acquisition of property, plant and equipment	-	(1,117)
Acquisition of intangible assets	(85)	(514)
Increase in other non-current assets	(7,555)	-
Decrease in other non-current assets	-	8
Dividend Received	43,077	40,429
Net cash flows from investing activities	<u>162,401</u>	<u>34,004</u>
Cash flows from (used in) financing activities :		
Increase in short-term loans	114,801	41,190
Increase in bonds payable	200,000	-
Decrease in bonds payable	-	(100,000)
Repayments of long-term loans	-	(73,500)
Decrease in other non-current liabilities, others	-	(140)
Cash dividends paid	(97,154)	(88,322)
Interest paid (Including capitalized interests)	(6,085)	(5,567)
Net cash flows from (used in) financing activities	<u>211,562</u>	<u>(226,339)</u>
Net Increase (decrease) in cash and cash equivalents	212,302	(238,318)
Cash and cash equivalents at beginning of period	<u>391,875</u>	<u>630,193</u>
Cash and cash equivalents at end of period	<u>\$604,177</u>	<u>\$391,875</u>

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

Sunfon Construction Co., Ltd.
2021 Earnings Distribution Table

Item	Amount (NT\$)
Undistributed earnings at the beginning of the period	6,793,682
Less: Confirmed actuarial gain/loss of welfare plan	(154,750)
Add: Gain/loss from disposal of equity instrument at fair value through other comprehensive income (OCI)	62,770,156
Less: Net loss after tax of current year	(7,360,799)
Available for distribution	62,048,289
Less: distribution items	
Legal reserves	5,525,461
Stock dividends (NT\$0.26/share)	54,056,380
Total	59,581,841
Undistributed earnings at the end of the period	2,466,448

Chairperson:
Hung Min-Fu

Managerial Officer:
Yu Jui-Hsing

Chief Accounting Officer:
Shih Shu-Ying