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Long Da Construction & Development Corporation

2021 Annual Meeting of Shareholders

Meeting Procedure

- I. Call for Meeting
- II. Chairperson's speech
- III. Reports
- IV. Ratifications
- V. Discussions
- VI. Elections
- VII. Other Agenda
- VIII. Special Motions
- IX. Meeting Ends

Long Da Construction & Development Corporation

2021 Annual Meeting of Shareholders

Meeting Agenda

Time: May 25, 2021 (Tuesday) at 10:30 a.m.

Location: 26F-2, No. 6, Minquan 2nd Road, Qianzhen District, Kaohsiung City

I. Reports

- (I) The Company's 2020 business report
- (II) The Audit Committee's review report on the Company's statements for 2020
- (III) Distribution of employee remunerations and director remunerations in 2020
- (IV) Revision of the "Ethical Corporate Management Best Practice Principles" report
- (V) Revision of the "Code of Conduct" report

II. Ratifications

- (I) Business report and financial statements for 2020
- (II) Earning distribution for 2020

III. Discussions

- (I) Revising parts of the "Articles of Incorporation"

IV. Elections

- (I) Election of 16th term Directors (including independent directors)

V. Other Agenda

(I) Releasing the newly elected director from the non-competition restrictions

VI. Special Motions

VII. Meeting Ends

«Reports»

Proposal 1

Proposal: The Company's 2020 business report

Description: For the 2020 Business Report, please refer to Attachment 1 on pg. 8 of this Handbook.

Proposal 2

Proposal: The Audit Committee's review report on the Company's statements for 2020

Description: The Company's 2020 statements have been reviewed by the Audit Committee and the Audit Committee has issued an review report. Please refer to Attachment 2 on page 9 of the Handbook.

Proposal 3

Proposal: Distribution of employee remunerations and director remunerations in 2020

Description:

- I. According to Article 27 of the Articles of Incorporation of the Company: If the Company shows profits in the annual settlement, the losses should be compensated first. If there is still a surplus, 2% to 4% of the remainder should be allocated for employee remuneration and no more than 4% of directors' remuneration should be allocated.
- II. After deliberation by the Remuneration Committee and the Board of Directors, the allocation of employee compensation and directors' compensation for 2020 is as follows:

1. Employee remunerations 4%: NT\$23,145,529, distributed in cash.
2. Director remunerations 3%: NT\$17,359,147, distributed in cash.

Proposal 4

Proposal: Revision of the "Ethical Corporate Management Best Practice Principles" report

Description: In accordance with relevant laws and regulations and the regulations of the competent authority, some provisions of the Company's "Ethical Corporate Management Principles" are revised. For the comparison table of existing and amended articles, see Attachment 3 on p. 10 of this handbook.

Proposal 5

Proposal: Revision of the "Code of Conduct" report

Description: In accordance with relevant laws and regulations and the regulations of the competent authority, some provisions of the Company's "Code of Conduct" are revised. For the comparison table of existing and amended articles, see Attachment 4 on p. 16 of this handbook.

«Ratifications»

Proposal 1 (proposed by the Board of Directors)

Proposal: Acknowledgment of the Company's 2020 business report and financial statements.

Description:

- I. The Company's 2020 financial statements have been reviewed by accountants Calvin Chen and Mink Hu from Ernst & Young.
- II. Please refer to Attachment 1 on page 8 of this Handbook for the Company's 2020 business report. Please refer to Attachment 5 on pages 17 to 23 of this Handbook for the auditor's report and financial statements.

Resolution:

Proposal 2 (proposed by the Board of Directors)

Proposal: Approval of the Company's 2020 earnings distribution proposal.

Description:

- I. The company's 2020 after-tax earnings (the same hereinafter) is NT\$453,058,346. The legal reserve is stipulated in accordance with the law. After adding the undistributed earnings at the beginning of the period and the actuarial gains and losses, the distributable earnings is NT\$1,578,350,742.
- II. The proposed cash dividend is about NT\$1.8 per share, totaling NT\$394,554,924. It is distributed to the dollar, rounded down to the dollar, and the total amount of the fraction of the dollar is distributed and transferred to other income.
- III. The amount of cash dividends per share distributed for this earnings distribution is calculated based on the number of

shares that have ceased to be transferred and tradable on the date of the resolution of the Board of Directors. If thereafter, due to other factors, the number of outstanding shares of the company changes, it is proposed to request the shareholders' meeting to authorize the Board of Directors to process related matters.

- IV. After the proposal is passed in the shareholders' meeting, the Board of Directors is authorized to determine the dividend distribution date and other relevant matters.
- V. For the proposed earnings distribution table, please refer to Attachment 6 on page 26 of this Handbook.

Resolution:

«Discussions»

Proposal 1 (proposed by the Board of Directors)

Proposal: Amendments to parts of the "Articles of Incorporation" are hereby submitted for resolution.

Description: To comply with the Company's business needs and the amendments to Article 240 of the Company Act, please refer to Attachment 7 on page 25 of this Handbook for the comparison table of amendments.

Resolution:

Elections

Proposal 1 (proposed by the Board of Directors)

Proposal: Election of the 16th term of directors (including independent directors) is hereby submitted for election.

Description:

- I. The term of office of the current directors (including independent directors) of the Company expires on June 12, 2021. According to the company's Articles of Incorporation, the Board shall be fully re-elected at the annual meeting of shareholders.
- II. According to the company's Articles of Incorporation, 7 directors (including 3 independent directors) are to be elected this time for a term of 3 years, from May 25, 2021 to May 24, 2024.
- III. The election of directors (including independent directors) of

the company adopts a candidate nomination system. The candidate qualifications for directors (including independent directors) have been reviewed and approved by the Company's Board of Directors on April 8, 2021. For the list of names, education, experience, and shareholdings of candidates for directors (including independent directors), please refer to Attachment 8 on page 26 of this Handbook.

Election result:

«Other Agenda»

Proposal 1 (proposed by the Board of Directors)

Proposal: Proposal for the release of the non-competition restriction for new directors (including independent directors) and the juridical persons they represent. It is proposed for discussion.

Description:

- I. According to Article 209 of the Company Act: Handled in accordance with the regulation "directors are required to explain to shareholders and obtain permission before conducting business activities within the scope of the Company's business for themselves or for others".
- II. Due to the Company's business needs, the annual meeting of shareholders is requested to approve the removal of the restrictions on non-competition for new directors after this re-election. For the list of directors who have been removed from non-competition, please refer to Attachment 9 on page 28 of this Handbook.

Resolution:

«Special Motions»

Attachment 1: The Company's 2020 business report

The operating income of the Company's final accounts for 2020 was approximately NT\$3,409,980,000, and the operating income of the final accounts for 2019 was NT\$4,394,620,000, representing a decrease of approximately NT\$984,640,000 or a decrease of 22.41%; The net profit after tax in the final accounts for 2020 is about NT\$453,710,000, and the net profit after tax in the final accounts for 2019 is about NT\$489,500,000, representing a decrease of about NT\$35,790,000 or a decrease of about 7.31%. The basic after-tax earnings per share based on the Company's profit in 2020 is NT\$2.07.

(I) Operating results in 2020 unit: Thousand NT\$

Item	Actual number for 2020	Actual number for 2019	Growth rate (%)
Operating revenue	3,409,980	4,394,621	-22.41 %
Gross profit	702,161	799,685	-12.20 %
Operating profit	515,407	535,999	-3.84 %
Net profit after taxes	453,710	489,503	-7.31 %

(II) Financial Status and Profitability

Item		2020	2019
ROA %		5.58	6.43
ROE %		10.56	12.56
Issued capital ratio %	Operating profit	23.51	25.66
	Net profit before tax	24.55	26.29

Net profit ratio %	13.29	11.13
Current earnings per share (NT\$)	2.07	2.43

Long Da Construction & Development Corporation

Chairperson of the
Board: Chen Wucong

Manager: Guo
Hanlong

Head of Accounting:
Feng Shuqing

Attachment 2: Audit Committee's Review Report

Audit Committee's Review Report

The Board of Directors has prepared and submitted the 2020 Business Report, Financial Statements, and various documents, of which the financial statements have been audited by the CPAs Calvin Chen and Mink Hu of Ernst & Young and an Audit Report is submitted. The above-mentioned business report, financial statements and earnings distribution proposal have been checked by the Audit Committee and no discrepancies have been found. The documents are in accordance with Article 14-4 and Article 36 of the Securities and Exchange Act and Article 219 of the Company Act. The relevant provisions of the report are as above. Please verify accordingly.

To
Long Da Construction & Development Corporation Annual Meeting of
Shareholders

Long Da Construction & Development Corporation
Audit Committee convener: Lin Xiangkai

Wednesday, March 10, 2021

Attachment 3: Comparison Table of Amendments to the "Ethical Corporate Management Best Practice Principles"

Amended articles	Existing articles	Description
<p>Article 5. Policy</p> <p>The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism <u>approved by the Board of Directors</u> so as to create an operational environment for sustainable development.</p>	<p>Article 5. Policy</p> <p>The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>Revised according to the letter TWSE Tai-Zheng-Governance-Zi No. 1080008378 dated May 23, 2019.</p>
<p><u>Article 7-1. Prevention Programs</u></p> <p><u>The Company shall clearly and in detail formulate specific ethical management practices and prevention programs for unethical behavior (hereinafter referred to as the</u></p>	<p>None.</p>	<p>I. This is a new article. II. Revised according to the letter TWSE Tai-Zheng-Governance-Zi No. 1080008378 dated May 23, 2019.</p>

<p><u>prevention program).</u> <u>When establishing the</u> <u>prevention programs,</u> <u>the Company shall</u> <u>comply with relevant</u> <u>laws and regulations of</u> <u>the territory where the</u> <u>Company and its</u> <u>organization are</u> <u>operating. In the course</u> <u>of developing the</u> <u>prevention programs,</u> <u>the Company is advised</u> <u>to negotiate with</u> <u>employees, important</u> <u>trading counterparties,</u> <u>or other stakeholders.</u></p>		
<p><u>Article 7-2. Scope of</u> <u>Prevention Programs</u> <u>The Company shall</u> <u>establish a mechanism</u> <u>for assessing the risk of</u> <u>unethical conduct,</u> <u>regularly analyzing and</u> <u>evaluating business</u> <u>operations at a</u> <u>relatively high risk of</u> <u>unethical conduct, and</u> <u>accordingly formulate</u> <u>unethical conduct</u></p>	<p>None.</p>	<p>I. This is a new article. II. Revised according to the letter TWSE Tai-Zheng-Governance-Zi No. 1080008378 dated May 23, 2019.</p>

prevention solutions
and regularly review the
appropriateness and
effectiveness of such
prevention programs.

The Company should
reference the standards
or guidelines generally
used in Taiwan and
abroad when
formulating the
prevention programs,
and shall include at
least the following
prevention measures:

I. Offering and
accepting bribes.

II. Illegal political
donations.

III. Improper charitable
donations or
sponsorship.

IV. Offering or
acceptance of
unreasonable
presents or
hospitality, or other
improper benefits.

V. Misappropriation of
trade secrets and

<p><u>infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.</u></p> <p><u>VI. Engaging in unfair competitive practices.</u></p> <p><u>VII. Products and services that directly or indirectly damage the rights, health, and safety of consumers or other stakeholders during development, purchase, production, provision, or sales.</u></p>		
<p>Article 12. Organization and Obligations The Company's directors, <u>managers, and employees</u> shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review</p>	<p>Article 12. Organization and Obligations The Company's <u>Board</u> of Directors shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the</p>	<p>I. Revised according to the letter TWSE Tai-Zheng-Governance-Zi No. 1080008378 dated May 23, 2019.</p> <p>II. Amend the matters responsible for the people and the management department who</p>

<p>the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To ensure sound ethical corporate management, the Management Office is responsible for establishing and supervising the implementation of ethical corporate management policies <u>for handling the following matters</u>, and shall report to the Board when appropriate:</p> <p><u>I. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical</u></p>	<p>preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To ensure sound ethical corporate management, the Management Office is responsible for establishing and supervising the implementation of ethical corporate management policies, and shall report to the Board when appropriate.</p>	<p>should perform the duty of care as a prudent manager.</p>
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<p><u>management in compliance with the requirements of laws and regulations.</u></p> <p><u>II. Analyzing and evaluating risks of unethical conduct within the business scope, adopting programs to prevent unethical conduct accordingly, and setting out in each program the standard operating procedures with respect to the Company's operations.</u></p> <p><u>III. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business</u></p>		
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<p><u>activities within the business scope which are possibly at a higher risk for unethical conduct.</u></p> <p><u>IV. Promoting and coordinating awareness and educational activities with respect to ethics policy.</u></p> <p><u>V. Developing a whistle-blowing system and ensuring its operating effectiveness.</u></p> <p><u>VI. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports</u></p>		
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<p><u>on the assessment of compliance with ethical management in operating procedures.</u></p>		
<p>Article 15. Accounting and Internal Control The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure the continued effectiveness of the design and enforcement of the systems. The internal auditing personnel of the Company should regularly audit the status of compliance with the aforementioned systems <u>and formulate related audit plans. The plans should include audit</u></p>	<p>Article 15. Accounting and Internal Control The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure the continued effectiveness of the design and enforcement of the systems. The Company's internal audit personnel shall periodically review the status of the Company's compliance with the foregoing provisions and prepare audit reports for submission to the Board of Directors.</p>	<p>Revised according to the letter TWSE Tai-Zheng-Governance-Zi No. 1080008378 dated May 23, 2019.</p>

<p><u>target, scope, items, and frequency. Accountants shall be tasked with the audit, and if necessary, professionals could be hired to provide their assistance.</u> <u>The audit results in the preceding paragraph shall be reported to senior management</u> and shall be produced into an audit report for the Board of Directors.</p>		
<p>Article 16. Important notes In accordance with <u>the provisions of Article 7-1 of the Principles</u>, the Company specifically regulates the matters that directors, managers, employees and substantial controllers should pay attention to when they are perform their duties. The content covers the following matters: I.-VII. Omitted. <u>VIII. Handling procedures found in violation of the Ethical Corporate Management</u></p>	<p>Article 16. Important notes The Company adheres to these principles, <u>and</u> specifically regulates the matters that directors, managers, employees and substantial controllers should pay attention to when they are perform their duties. The content covers the following matters: I.-VII. Omitted.</p>	<p>I. Revised according to the letter TWSE Tai-Zheng-Governance-Zi No. 1080008378 dated May 23, 2019. II. Article 8 is newly added.</p>

<u>Principles</u>		
<p>Article 18. Reporting and Disciplinary Actions</p> <p>The Company should provide legitimate reporting and appeal channels, <u>allow anonymous reporting</u>, and keep the identity of the reporter and the contents of the report confidential, and stipulate the punishment for violations in the personnel management regulations. The title and name of the violating person, the date of the violation, details of the violation, and the status of the handling process should be announced immediately within the Company.</p>	<p>Article 18. Reporting and Disciplinary Actions</p> <p>The Company should provide legitimate reporting and appeal channels and keep the identity of the reporter and the contents of the report confidential, and stipulate the punishment for violations in the personnel management regulations. The title and name of the violating person, the date of the violation, details of the violation, and the status of the handling process should be announced immediately within the Company.</p>	<p>I. Revised according to the letter TWSE Tai-Zheng-Governance-Zi No. 1080008378 dated May 23, 2019.</p> <p>II. Allow anonymous reporting.</p>

<p>Article 21. Implementation The Guidelines shall be implemented after the Board of Directors grants its approval, and shall be reported at the shareholders' meeting. The same procedure shall be followed when the Guidelines have been amended.</p> <p><u>When proposed for discussion by the Board of Directors according to the previous paragraph, the opinions of independent directors must also be fully taken into consideration. Any objections or reserved opinions made by independent directors must be detailed in board meeting minutes. if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue</u></p>	<p>Article 21. Implementation The Guidelines shall be implemented after the Board of Directors grants its approval, and shall be reported at the shareholders' meeting. The same procedure shall be followed when the Guidelines have been amended.</p>	<p>Revised according to the letter TWSE Tai-Zheng-Governance-Zi No. 1080008378 dated May 23, 2019.</p>
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<u>a written opinion in advance, which shall be recorded in the board meeting minutes.</u>		
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Attachment 4: Comparison Table of Amendments to the "Code of Ethical Conduct"

Amended articles	Existing articles	Description
<p>Article 2 Covered content</p> <p>I. Prevention of conflict of interest</p> <p>(I) Omitted.</p> <p>(II) The person shall recuse themselves if they, their spouse or relatives within the second degree of kinship obtain illegal gains based on the position held by the person in the Company.</p> <p>(III) Omitted.</p> <p>II.-VI. Omitted.</p> <p>VII. Encouragement of Reports on Activity in Violation of Laws or Codes of Ethical Conduct</p> <p>(I) Omitted.</p> <p>(II) In addition to rewarding and punishing reports, in order to</p>	<p>Article 2 Covered content</p> <p>I. Prevention of conflict of interest</p> <p>(I) Omitted.</p> <p>(II) The person shall recuse themselves if they, their spouse, <u>parents, children, or</u> relatives within the second degree of kinship obtain illegal gains based on the position held by the person in the Company.</p> <p>(III) Omitted.</p> <p>II.-VI. Omitted.</p> <p>VII. Encouragement of Reports on Activity in Violation of Laws or Codes of Ethical Conduct</p> <p>(I) Omitted.</p> <p>(II) In addition to rewarding and punishing</p>	<p>Considering that parents and children are relatives within two degrees of kinship, the text in (2) may be simplified.</p> <p>By referring to Article 23 of the Ethical Corporate</p>

Amended articles	Existing articles	Description
<p>encourage employees to report violations, the Company also established a list of senior executives' contact numbers and email addresses, <u>allowing for anonymous reporting</u>. The employees shall understand that the Company will do its utmost to protect the safety of <u>whistleblowers</u> from retaliation.</p> <p>Contents below omitted</p>	<p>reports, in order to encourage employees to report violations, the Company also established a list of senior executives' contact numbers and email addresses, allowing for anonymous reporting. The employees shall understand that the Company will do its utmost to protect the safety of <u>whistleblowers</u> from retaliation.</p> <p>Contents below omitted</p>	<p>Management Best Practice Principles for TWSE/TPEX Listed Companies which allows anonymous reporting, the relevant texts have been amended.</p>

Attachment 5: Auditor's Report and Individual Financial Statements for 2020

Independent auditor's report

To Long Da Construction & Development Corporation:

Auditor's opinion

We have audited the individual balance sheets of Long Da Construction & Development Corporation as at December 31, 2020 and 2019, and the individual statements of comprehensive income, the individual statements of changes in equity, and the individual cash flow statements from January 1 to December 31, 2020 and 2019.

In our opinion, all material disclosures of the individual financial statements mentioned above were prepared in compliance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and presented a fair view of the financial position of Long Da Construction & Development Corporation as at December 31, 2020 and 2019, and individual business performance and cash flows for the periods January 1 to December 31, 2019 and 2020.

Basis of auditor's opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards. The accountant's responsibilities under these standards will be further explained in the accountant's responsibility section for reviewing individual financial statements. In accordance with the professional ethics of accountants, the personnel subject to independence regulations of the accountant's accounting firm have maintained independence from Long Da Construction & Development Corporation and performed the other responsibilities stipulated by the regulations. The accountant believes that sufficient and appropriate audit evidence has been obtained as a basis for expressing the auditor's opinions.

Key audit items

Key audit items refer to the most important items in the audit of Long Da Construction & Development Corporation's 2020 individual financial statements based on the professional judgment of the accountant. These matters have been responded to in the process of auditing individual financial statements as a whole and forming auditor's opinions. The accountant does not express opinions on the individual matters separately. The key audit items are as follows:

Evaluation of inventories

Long Da Construction & Development Corporation has a net inventory of NT\$7,465,467,000 as of December 31, 2020, accounting for approximately 80% of total assets, which is significant to the financial statements. Inventories are mainly composed of land for construction, buildings under construction, and buildings for sale. Due to the characteristics of the industry, these products are unique, regional, and immovable, and are vulnerable to changes to government policies, government promotion of public project plans and regulations. The impact of changes may cause inventory prices to fluctuate easily, and it is not easy to determine the net realizable value. Therefore, the accountant decided to include this as a key audit item.

The audit procedures of the accountant include (but are not limited to), considering that the sales price is easily affected by changes in external market factors, and inquiring about the selling price of neighboring areas or the selling price of sold units to assess whether there is a price drop. The reduction of inventory value is evaluated based on the comparison between the actual sales price and the original inventory cost of buildings and land for sale. Review the market analysis and comparative information of newly acquired land for development to assess whether the net realizable value of the inventory is fairly expressed.

The accountant also considers the appropriateness of the disclosure of inventories in Note 5 and Note 6.5 of the individual financial statements.

Responsibilities of management and governance units towards individual financial statements

The management's responsibility is to prepare individual financial statements that are properly expressed in accordance with the securities issuer's financial report preparation standards, and to maintain the necessary internal controls related to the preparation of individual financial statements to ensure that individual financial statements do not include false expressions due to fraud or errors.

When preparing individual financial statements, the management's responsibilities also include assessing the ability of Long Da Construction & Development Corporation to continue operations, disclose related matters, and continue the adoption of the accounting basis for operations, unless the management intends to liquidate Long Da Construction & Development Corporation or cease operations, or if there is no practical and feasible plan other than liquidation or suspension of operations.

The governance unit (including the audit committee) of Long Da Construction & Development Corporation is responsible for supervising the financial reporting process.

The accountant's responsibility for auditing individual financial statements

The purpose of this accountant's audit of individual financial statements is to obtain reasonable assurance as to whether the individual financial statements as a whole contain any material misrepresentations due to fraud or errors, and to issue an audit report. Reasonable certainty is a high degree of certainty, but the audit carried out in accordance with generally accepted auditing standards cannot guarantee that misrepresentations in individual financial statements will be detected. Misrepresentation may result from fraud or errors. If the individual amounts or total amounts that are falsely expressed can reasonably be expected to affect the economic decisions made by the users of individual financial statements, they are considered to be significant.

The accountant uses professional judgment and maintains professional suspicion when conducting audits in accordance with generally accepted auditing standards. The accountant also performs the following tasks:

1. Identify and evaluate the risks of material misrepresentation of individual financial statements due to fraud or errors. Design and implement appropriate countermeasures for the assessed risks. Obtain sufficient and appropriate audit evidence as a basis for expressing the auditor's opinions. Because fraud may involve collusion, forgery,

deliberate omission, false statements or violations of internal control, the risk of not detecting a major false expression caused by fraud is higher than that caused by error.

2. To obtain the necessary understanding of the internal controls related to the audit, in order to design the appropriate audit procedures under the circumstances. However, the purpose is not to express an opinion on the effectiveness of the internal controls of Long Da Construction & Development Corporation.
3. Evaluate the suitability of the accounting policies adopted by the management and the reasonableness of accounting estimates and related disclosures.
4. Based on the obtained audit evidence, the conclusion is drawn on the suitability of the management's use of the continuing operation accounting basis and whether there is a significant uncertainty in the event or situation that may cause major doubts related to the ability of Long Da Construction & Development Corporation to continue its operation. If the accountant believes that there are significant uncertainties in these events or circumstances, they must remind the users of individual financial statements in the audit report to pay attention to the relevant disclosures in the individual financial statements, or amend the audit opinions when such disclosures are inappropriate. The accountant's conclusion is based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may cause Long Da Construction & Development Corporation to no longer have the ability to continue operations.
5. Evaluate the overall expression, structure and content of individual financial statements (including relevant notes), and whether individual financial statements are appropriate to express relevant transactions and events.

The matters communicated between the accountant and the governance unit include the planned audit scope and time, as well as major audit findings (including significant deficiencies in internal controls identified during the audit process).

The accountant also provides the governance unit with a statement that the personnel of the accountant's affiliated firm subject to independence regulations have complied with the statement of independence of the accountant's professional ethics, and communicates with the governance unit all relationships that may be considered to affect the independence of the accountant and other matters (including related protective measures).

Based on the matters communicated with the governance unit, the accountant decided the key audit items for the review of the 2020 individual financial statements of Long Da Construction & Development Corporation. The accountant has stated these matters in the audit report, unless the law does not allow specific matters to be disclosed publicly, or in very rare cases, the accountant decides not to communicate specific matters in the audit report, because the negative effects of this communication can be reasonably expected to be greater than the benefits to public interest.

Ernst & Young

The competent authority approves the publishing of the company's financial report

Audit Document No.: FSC Certificate VI No. 0970038990

FSC Review No. 1010045851

Calvin Chen

Accountant:

Mink Hu

March 10, 2021

Long Da Construction & Development Corporation
Individual balance sheet
December 31, 2019 and 2020

unit: NT\$ thousand

Assets			December 31, 2020		December 31, 2019	
Code	Accounting item	Notes	Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	IV/VI.1	\$460,485	5	\$384,794	5
1110	Financial assets at fair value through profit or loss -	IV/VI.2	—	—	33	0
1140	Contract assets - current	IV/VI.19	133,176	2	104,331	1
1150	Net notes receivable	IV/VI.3	1,209	0	83	0
1170	Net accounts receivable	IV/VI.4	110,711	1	157,830	2
1180	Accounts receivable - net amount for related parties	IV/VI.4/VII	4,957	0	3,401	0
1320	Inventory	IV/VI.5/VIII	7,465,467	80	7,034,335	82
1410	Advance payments	VI.6	265,392	3	5,829	0
1476	Other financial assets	VIII	18,812	0	82,382	1
1479	Other current assets		110,665	1	112,350	1
11xx	Total current assets		8,570,874	92	7,885,368	92
Non-current assets						
1550	Investments recognized under the equity method	IV/VI.7	13,186	0	26,108	0
1600	Real estate, factories and equipment	IV/VI.8/VIII	48,686	1	50,856	0
1755	Right-of-use assets	IV/VI.21	101	0	504	0
1760	Net amount of investment real estate	IV/VI.9/VIII	552,934	6	570,307	7
1801	Intangible assets	IV/VI.10	722	0	450	0
1840	Deferred income tax assets	IV/VI.25	8,820	0	8,433	0
1900	Other non-current assets	IV/VI.11	118,310	1	58,090	1
15xx	Total non-current assets		742,759	8	714,748	8
1xxx	Total assets		\$9,313,633	100	\$8,600,116	100
Liabilities and equity						
Code	Accounting item	Notes	Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	IV/VI.12	\$210,000	2	\$150,000	2
2110	Short-term notes and bills payable	IV/VI.13	—	—	167,539	2
2130	Contract liabilities - current	IV/VI.19	366,034	4	132,498	2
2150	Notes payable		91,474	1	65,332	1
2170	Accounts payable		660,449	7	635,602	7
2180	Accounts payable - related parties	VII	720	0	2,314	0
2200	Other accounts payable		71,990	1	79,353	1
2230	Current income tax liabilities	IV	61,478	1	18,714	0
2250	Liability provisions - current	IV/VI.14	11,253	0	14,502	0
2280	Lease liabilities - current	IV/VI.21	103	0	406	0
2300	Other current liabilities		16,248	0	15,234	0
2321	Corporate bonds due or executed within one year or	IV/VI.15	—	—	319,018	4
2322	Current portion of long-term borrowings	IV/VI.16	65,908	1	81,066	1
21xx	Total current liabilities		1,555,657	17	1,681,578	20
Non-current liabilities						
2527	Contract liabilities - non-current	IV/VI.19	141,538	1	69,993	1
2540	Long-term bank borrowings	IV/VI.16	3,221,802	35	2,621,959	30
2570	Deferred income tax liabilities	IV/VI.25	1,144	0	3,716	0
2580	Lease liabilities - non-current	IV/VI.21	—	—	103	0
2600	Other non-current liabilities		13,426	0	18,319	0
25xx	Total non-current liabilities		3,377,910	36	2,714,090	31
2xxx	Total liabilities		4,933,567	53	4,395,668	51
Equity						
31xx	Capital Stock					
3100	Capital Stock					
3110	Ordinary share capital	IV/VI.18	2,191,972	24	2,089,051	24
3130	Certificates of bond-to-stock conversion		—	—	84,354	1
3200	Capital surplus		50,614	0	51,357	1
3300	Retained earnings					
3310	Legal reserve		510,591	6	461,664	5
3350	Undistributed earnings		1,623,667	17	1,515,349	18
	Total retained earnings		2,134,258	23	1,977,013	23
3400	Other equity		3,222	0	2,673	0
3xxx	Total equity		4,380,066	47	4,204,448	49
	Total liabilities and equity		\$9,313,633	100	\$8,600,116	100

(Please refer to the appendix in individual financial statements)

Chairperson of the Board:

Manager:

Head of Accounting:

Long Da Construction & Development Corporation
Statement of Individual Comprehensive Income
January 1 to December 31, 2019 and 2020

unit: NTS thousand

Code	Accounting item	Notes	2020		2019	
			Amount	%	Amount	%
4000	Operating revenue	IV/VI.19	\$3,409,980	100	\$4,394,621	100
5000	Operating cost	IV/VI.22	(2,707,819)	(80)	(3,594,936)	(82)
5900	Gross profit		702,161	20	799,685	18
6000	Operating expenses	IV/VI.22				
6100	Promotion expenses		(68,352)	(2)	(136,573)	(3)
6200	Management expenses		(118,402)	(3)	(127,113)	(3)
	Total operating expenses		(186,754)	(5)	(263,686)	(6)
6900	Operating profit		515,407	15	535,999	12
7000	Non-operating income and expenses	IV/VI.23				
7100	Interest income		174	0	351	0
7010	Other income		38,322	1	4,871	0
7020	Other profits and losses		(133)	(0)	8,159	0
7050	Financial costs		(2,777)	(0)	(2,844)	(0)
7060	Share of profits/losses on equity-accounted associated companies	IV/VI.7	(12,859)	(0)	2,604	0
	Total non-operating income and expenses		22,727	1	13,141	0
7900	Net profit before tax		538,134	16	549,140	12
7950	Income tax (expense)	IV/VI.25	(85,075)	(3)	(59,873)	(1)
8000	Net profit from continuing operations		453,059	13	489,267	11
8200	Net profit		453,059	13	489,267	11
8300	Other comprehensive income	VI24				
8310	Items that will not be reclassified to profit or loss					
8311	Number of remeasurements of defined benefit plans		128	0	(908)	(0)
8349	Income tax related to items that will not be reclassified		(26)	(0)	182	0
8360	Items that may be reclassified to profit or loss					
8361	Exchange differences arising from the translation of the financial statements of foreign operations		686	0	1,203	0
8399	Income tax related to items that may be reclassified to profit or loss		(137)	(0)	(241)	(0)
	Other comprehensive income (net income after tax)		651	0	236	0
8500	Total comprehensive income		\$453,710	13	\$489,503	11
	Earnings per share (NT\$)					
9750	Basic earnings per share	IV/VI.26	\$2.07		\$2.43	
9850	Diluted earnings per share		\$2.05		\$2.22	

(Please refer to the appendix in individual financial statements)

Chairperson of the Board:

Manager:

Head of Accounting:

Long Da Construction & Development Corporation
Statement of changes in individual equities
January 1 to December 31, 2019 and 2020

unit: NTS thousand

Code	Item	Capital Stock			Retained earnings		Other equity items	Total equity
		Ordinary share capital	Certificates of bond-to-stock conversion	Capital surplus	Legal reserve	Undistributed earnings	Exchange differences arising from the translation of the financial statements of foreign operations	
		3100	3130	3200	3310	3350	3410	3XXX
A1	Balance as of January 1, 2019	\$1,842,213	21,975	\$32,655	\$417,355	\$1,269,662	\$1,711	\$3,585,571
	Earning distribution for 2018							
B1	Allocation to legal reserve	—	—	—	44,309	(44,309)	—	—
B5	Cash dividends of common stock	—	—	—	—	(198,545)	—	(198,545)
	Changes in other capital surplus produced by the issuance of convertible corporate bonds to recognize equity components-stock options	—	—	(14,657)	—	—	—	(14,657)
C5								
D1	Profits from January 1 to December 31, 2019	—	—	—	—	489,267	—	489,267
	Other comprehensive income from January 1 to December 31, 2019	—	—	—	—	(726)	962	236
D3								
D5	Total comprehensive income	—	—	—	—	488,541	962	489,503
I1	Conversion of convertible bonds	246,838	62,379	33,359	—	—	—	342,576
Z1	Balance as of December 31, 2019	\$2,089,051	\$84,354	\$51,357	\$461,664	\$1,515,349	\$2,673	\$4,204,448
A1	Balance as of January 1, 2020	\$2,089,051	\$84,354	\$51,357	\$461,664	\$1,515,349	\$2,673	\$4,204,448
	Earning distribution for 2019							
B1	Allocation to legal reserve	—	—	—	48,927	(48,927)	—	—
B5	Cash dividends of common stock	—	—	—	—	(295,916)	—	(295,916)
	Changes in other capital surplus Produced by the issuance of convertible corporate bonds to recognize equity components-stock options	—	—	(663)	—	—	—	(663)
C5								
D1	Profits from January 1 to December 31, 2020	—	—	—	—	453,059	—	453,059
	Other comprehensive income from January 1 to December 31, 2020	—	—	—	—	102	549	651
D3								
D5	Total comprehensive income	—	—	—	—	453,161	549	453,710
I1	Conversion of convertible bonds	102,921	(84,354)	(80)	—	—	—	18,487
Z1	Balance as of Thursday, December 31, 2020	\$2,191,972	\$—	\$50,614	\$510,591	\$1,623,667	\$3,222	\$4,380,066

(Please refer to the appendix in individual financial statements)

Chairperson of the Board:

Manager:

Head of Accounting:

Long Da Construction & Development Corporation
Individual cash flow statement
January 1 to December 31, 2019 and 2020

unit: NT\$ thousand

Code	Item	2020	2019	Code	Item	2020	2019
		Amount	Amount			Amount	Amount
AAAA	Cash flow of operating activities:			BBBB	Cash flow of investing activities:		
A10000	Profit before tax of this period	\$538,134	\$549,140	B02700	Acquisition of real estate, factories and equipment	(586)	(3,786)
A20000	Adjusted items:			B02800	Disposal of real estate, factories and equipment	9	-
A20010	Revenues and expenses:			B04500	Acquisition of intangible assets	(766)	(384)
A20100	Depreciation	20,946	22,622	B05400	Acquisition of investment properties	(431)	(11,077)
A20200	Amortized expenses	7,766	1,937	B06600	Reduction of other financial assets	63,570	87,594
A20400	Net income (profit) from financial assets and liabilities at fair value through profit and loss	(1,163)	(278)	B06700	Increase of other non-current assets	(60,220)	-
A20900	Interest expenses	2,777	2,844	B06800	Decrease of other non-current assets	-	134,232
A21200	Interest income	(174)	(351)	BBBB	Net cash inflow from investing activities	1,576	206,579
A22300	Share of profits/losses on equity-accounted associated companies	12,859	(2,604)				
A22500	Loss from disposal and write offs of real estate, factories and equipment	8	-				
A30000	Changes in operating activities related asses/liabilities:			CCCC	Cash flow from financing activities:		
A31130	Decrease (increase) in notes receivable	(1,126)	52,286	C00100	Increase in short-term borrowings	60,000	-
A31150	Decrease in accounts receivable	47,119	45,894	C00200	Decrease in short-term borrowings	-	(372,160)
A31160	Accounts receivable - related parties (increase)	(1,556)	(2,307)	C00600	Decrease in short-term notes and bills payable	(167,539)	(112,049)
A31125	Contract assets (increase)	(28,845)	(2,314)	C01300	Repayment of corporate bonds	(300,000)	-
A31200	Inventory (increase)	(375,385)	(576,267)	C01600	Borrowing long-term borrowings	1,233,576	1,859,220
A31230	Decrease (increase) in advance payments	(266,835)	303	C01700	Repayment of long-term borrowings	(648,891)	(1,241,008)
A31240	Decrease (increase) in other current assets	1,685	(95,933)	C04020	Repayment of lease principal	(411)	(411)
A32125	Increase in contract liabilities	305,081	60,851	C04400	Decrease in other non-current liabilities	(745)	(1,116)
A32130	Increase in notes payable	26,142	28,747	C04500	Distribution of cash dividends	(295,916)	(198,545)
A32150	Increase (decrease) in accounts payable	24,847	(141,929)	C05600	Interest paid	(63,033)	(61,501)
A32160	Accounts payable - related parties (decrease)	(1,594)	(410)	CCCC	Net cash flow (out) from financing activities	(182,959)	(127,570)
A32180	Increase (decrease) in other sums payables	(2,847)	24,414				
A32230	Other current liabilities (decrease)	(2,235)	(48,712)	DDDD	Effects of exchange rate fluctuations on cash and cash equivalents	906	578
A32240	Net defined benefit liabilities (decrease)	(4,020)	(7)				
A33000	Cash inflow (outflow) generated from operations	301,584	(82,074)	EEEE	Increase (decrease) in cash and cash equivalents for the current period	75,691	(44,734)
A33100	Interest received	174	351	E00100	Opening balance of cash and cash equivalents	384,794	429,528
A33500	Income tax paid	(45,590)	(42,598)	E00200	Closing balance of cash and cash equivalents	\$460,485	\$384,794
AAAA	Net cash inflow (outflow) from operating activities	256,168	(124,321)				

(Please refer to the appendix in individual financial statements)

Chairperson of the Board:

Manager:

Head of Accounting:

Attachment 6: Earnings Distribution Table

Long Da Construction & Development Corporation

Earnings Distribution Table for 2020

unit: NT\$

Item	Amount
Opening balance	1,170,506,177
Plus: Actuarial profits and losses (Note 1)	(102,282)
Plus: Net profit after tax for the current year plus items other than the net profit after tax for the current year	453,058,346
Minus: Legal reserve (Note 2)	(45,316,063)
Distributable earnings	1,578,350,742
Distribution items	
Cash dividends (approximately NT\$1.8 per share) (Note 3, Note 4)	394,554,924
Closing undistributed earnings	1,183,795,818

Note 1: Actuarial profits and losses on defined benefits plans for 2020

Note 2: For the earnings distribution in the 2020 financial statements, "total amount of net profit for the period plus other items added to the current year's undistributed earnings" shall be used as the basis for the legal reserve.

Note 3: As of the closing date on March 27, 2021, the number of outstanding shares is 219,197,180

Note 4: According to the provisions of Article 66-9 of the Income Tax Act,

priority will be given to the distribution of dividends from the 2020 earnings of profit-making enterprises

Chairperson of the
Board: Chen Wucong

Manager: Guo
Hanlong

Head of Accounting:
Feng Shuqing

Attachment 7: Comparison Table of the "Articles of Incorporation" Before and After Revision

Amended articles	Existing articles	Description
<p>Article 27-1: (Paragraph 1) Omitted. <u>The Company authorizes the Board of Directors to distribute all or part of the dividends and bonuses in cash with the presence of more than two-thirds of the directors and the resolution is agreed upon by more than half of the directors present, and report to the shareholders meeting. The provisions of the relevant shareholders meeting resolutions are not applicable.</u></p>	<p>Article 27-1: (Paragraph 1) Omitted.</p>	<p>I. Paragraph 2 is newly added. II. Simplify the dividend and bonus cash distribution procedures in line with Article 240 of the Company Act.</p>
<p>Article 27-2: <u>The Company authorizes the Board of Directors to distribute all or part of the capital reserve and statutory surplus reserve to be allocated in cash with the presence of more than two-thirds of the directors and the resolution is agreed upon by more than half of the directors present, and report to the shareholders meeting.</u></p>	<p>None.</p>	<p>I. This is a new article. II. Simplify the capital reserve and statutory surplus reserve cash distribution procedures in line with Article 240 of the Company Act.</p>

Amended articles	Existing articles	Description
Article 30:, <u>The thirty-first amendment is on June 8, 2021.</u>	Article 30: (Paragraph 1) Omitted.	Added amendment date.

Attachment 8: Director (Independent Director) Candidate Information Table

Director candidates

Serial No.	Name (title)	Education	Current position	Work Experience	Number of Shares
1	Chen Wucong	Pingtung Wah Chau Commerce and Industry Senior High School	Chairman, Long Da Construction & Development Corporation	Chairman, Long Da Construction & Development Corporation Chairman, Hong Ji Construction Co., Ltd.	1,024,407 shares
2	Chen Youqi	Department of Architecture and Urban Planning, Chung Hua University	Director, Long Da Construction & Development Corporation	Director, Long Da Construction & Development Corporation	557,495 shares
3	Da Jing Inv Co. Ltd.	Not applicable	Director, Long Da Construction & Development Corporation	Not applicable	28,658,433 shares
4	Yikung Investment Co., Ltd.	Not applicable	Director, Long Da Construction & Development Corporation	Not applicable	2,450,617 shares

Independent director candidates

Serial No.	Name (title)	Education	Current position	Work Experience	Number of Shares
1	Lin Xiangkai	Ph.D. in Economics, Carnegie Mellon University, U.S.	Independent director, Long Da Construction & Development Corporation	Director, EasyCard Investment Holdings Co., Ltd. Consultant, Taiwan Cooperative Bills Finance Corporation Professor of Economics, National Taiwan University	0 shares
2	Jiang Yongzheng	School of Law, Soochow University	Independent director, Long Da Construction & Development Corporation Lawyer, Zhengyang United Law Firm	Lawyer, Zhengyang United Law Firm Director, Nan He Industrial Co., Ltd. Director, Mingchali Metal Industry Co., Ltd.	0 shares
3	Chen Jinde	EMBA Advanced Master of Business Administration, National Taiwan University Master of Chemical Engineering, National Taiwan University	Chairman, Cleanaway Co., Ltd	Deputy Mayor of Kaohsiung City Chairman, CPC Corporation The 17th County Magistrate (acting) of Yilan County	0 shares

Attachment 9: List of directors whose non-competition is lifted

Director (including independent director) name	Concurrent company	Position held
Chen Wucong	Hong Ji Construction Co., Ltd.	Chairman
Chen Youqi	Hong Ji Construction Co., Ltd.	Director
Jiang Yongzheng	Director, Nan He Industrial Co., Ltd.	Director

Appendix 1: Rules for Shareholders' Meetings

Long Da Construction & Development Corporation Rules for Shareholders' Meetings

Sixth amendment: Wednesday, June 17, 2020

Article 1 This policy was established in accordance with Article 5 of "Corporate Governance Best-Practice Principles for Listed Companies" to provide sound governance over the Company's shareholder meetings, and thereby enhancing the supervisory function of shareholders.

Article 2 Unless otherwise specified by law or Articles of Incorporation, the Company shall proceed its shareholders' meetings according to the terms of this policy.

Article 3 Unless otherwise specified by law or Articles of Incorporation, shareholders' meetings are convened by the Board of Directors.

The Company shall prepare an electronic file that contains the meeting notice, a proxy form, a detailed description of various agenda items to be acknowledged or discussed during the meeting, and notes on re-election or dismissal of directors and post it onto the Market Observation Post System (MOPS) at least 30 days before the annual meeting of shareholders, or 15 days before an extraordinary shareholders' meeting. At least 21 days before the annual meeting of shareholders, or 15 days before an extraordinary shareholders' meeting, an electronic copy of the shareholders' meeting manual and supplementary information shall be posted onto MOPS. Physical copies of the shareholders' meeting manual and supplementary information shall also be prepared at least 15 days before the meeting and made accessible to shareholders at any time. These documents must be placed within the Company's premises and at the share administration agency, and distributed on-site at the shareholders' meeting.

Agenda items must be explained in detail in the meeting notices and announcements. Subject to agreement by the receiving party, meeting notices may also be delivered electronically.

Agenda items that involve election or dismissal of directors, changes to

the Articles of Incorporation, capital reduction, application of public offering suspension, liquidation, mergers, divestments, and any matters listed in Paragraph 1, Article 185 of the Company Act and Articles 26-1 and 43-6 of the Securities and Exchange Act must be covered in the meeting notice, and cannot be raised as special motions. The essential contents may be posted on the website designated by the competent authority in charge of securities industry or the Company, and such website shall be indicated in the notice. The reasons for convening a shareholders meeting shall indicate the re-election of directors and the tenure of office of such directors. After re-election is completed at the shareholders' meeting, the tenure dates may not be changed by a special motion or other method at the same shareholders' meeting.

Shareholders who own more than 1% of the Company's outstanding shares are entitled to propose agenda items for discussion in the annual meeting of shareholders. Each shareholder may only propose one agenda item; any further proposals will be excluded from discussion. The Board of Directors may disregard shareholders' proposals if the proposed agenda item involves any of the circumstances listed in Paragraph 4, Article 172-1 of the Company Act.

The Company shall announce in writing or through electronic means, before the book closure date, the conditions, places and time in which shareholders' proposals are accepted. The period of acceptance shall be no shorter than ten days.

Shareholders shall limit their proposed agenda items to 300 words; proposals that exceed 300 words shall be excluded from the agenda. Shareholders who have successfully proposed agenda items shall attend the annual meeting of shareholders in person or through proxy attendance and participate in the discussion.

The Company shall notify the proposing shareholders of the outcome of their proposed agenda items before the date the meeting notice is sent. Meanwhile, agenda items that satisfy the conditions listed in this Article shall be included as part of the meeting notice. During the shareholders' meeting, the Board of Directors shall explain the reasons why certain proposed agenda items are excluded from discussion.

Article 4 Shareholders may appoint proxies to attend shareholders' meetings by completing the Company's proxy form and specifying the scope of delegated authority.

Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms must arrive at the Company at least five days before the shareholders' meeting. In the event that multiple proxy forms are issued, the proxy form that arrives first shall prevail. However, exception shall be granted if the shareholder issues a declaration to withdraw the previous proxy arrangement.

Should the shareholder decide to attend a shareholders' meeting personally or exercise voting rights in writing or through electronic means after a proxy form has been delivered to the Company, a written notice should be sent to the Company no later than two days before the meeting commences to withdraw the proxy arrangement. If the withdrawal is made after the prescribed period, then the voting decision exercised by the proxy shall prevail.

Article 5 Shareholders' meetings shall be held at locations that are suitable and convenient for shareholders to attend. Meetings shall not begin earlier than 9 AM or later than 3 PM. The opinions of independent directors shall be fully considered when deciding the location and time of the meetings.

Article 6 The Company shall provide an attendance log to record attendance of shareholders or proxies thereof (collectively referred to as shareholders below); alternatively, attendance cards may be presented to signify their presence at the meeting.

Shareholders who attend the meeting shall be given a copy of the meeting manual, annual report, attendance pass, opinion slip, agenda ballots and any information relevant to the meeting. Shareholders shall also be given election ballots where election of directors is to take place. Shareholders must present an attendance pass, an attendance card or other proof of attendance when entering a shareholders' meeting. Shareholders who wish to acquire a proxy form must present proof of identity on-site for verification.

Where the shareholder is a government agency or corporate entity, more than one representative may attend the shareholders' meetings on their behalf. Corporate entities that have been designated as proxy attendants shall only appoint one representative to attend the shareholders' meeting.

Article 7 Shareholders' meetings that are convened by the chairperson shall be chaired by the chairperson. If the chairperson is unable to perform such duties due to leave of absence or any reason, the Vice chairperson shall act on the chairperson's behalf. If the Vice chairperson is also unavailable or is non-existent, the chairperson may appoint a standing director act on his behalf. If there is no standing director, one director shall be appointed to act as the agent. If the chairperson of the board does not appoint an agent, the standing director or one of the directors shall be appointed to act as the agent.

For shareholders' meetings convened by any authorized party other than the Board of Directors, the convener will act as the meeting chairperson. If there are two or more conveners at the same time, one shall be appointed from among them to chair the meeting.

The Company may summon its lawyers, certified public accountants, and any relevant personnel to be present at the shareholders' meeting.

Article 8 The Company's shareholder meetings must be video or audio recorded and kept for at least one year. However, in situations where a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, the records shall be kept until the litigation is concluded.

Article 9 Shareholders' presence is determined by the number of shares represented during the meeting. The number of shares represented during the meeting is calculated based on the total amount registered in the attendance log or the attendance cards collected, plus the amount of shares where voting rights are exercised in writing or through electronic means.

The chairperson shall announce the commencement of the meeting as soon as the appointed time arrives. However, if those in attendance

represent less than half of the Company's outstanding shares, the chairperson may announce to postpone the meeting up to two times, for a period totaling no more than one hour. The chairperson shall dismiss the meeting if shareholders in attendance represent less than one-third of outstanding shares after two postponements.

If the shareholders in attendance represent more than one-third but less than half of outstanding shares after two postponements, the shareholders in attendance may reach a tentative resolution according to Article 175, Paragraph 1 of the Company Act. This tentative resolution shall be communicated to every shareholder and another shareholders' meeting shall be held within one month.

If the number of shares represented during the meeting accumulates to more than half of all outstanding shares before the meeting ends, the chairperson may re-propose the tentative resolution for final voting according to Article 174 of the Company Act.

Article 10 If the shareholders' meeting is convened by the Board of Directors, the Board of Directors shall determine the meeting proceedings and related agenda items (including special motions and amendments to the original agendas) shall be voted on individually. The proceedings shall not be changed unless resolved during the shareholders' meeting.

The above rule also applies if the shareholders' meeting is convened by any authorized party other than the Board of Directors.

In either of the two arrangements described above, the chairperson can not dismiss the meeting while an agenda item (including special motions) is still in progress. If the chairperson violates the meeting policy by dismissing the meeting when it is not allowed to do so, other members of the board shall immediately assist the attending shareholders to elect another chairperson with the support of more than half of voting rights represented and continue the meeting.

The chairperson must allow adequate time to explain and discuss the various agenda items, amendments or special motions proposed during the meeting. The chairperson may announce to discontinue further discussion if the issue in question is considered to have been sufficiently

discussed to proceed with the voting and a suitable voting time should be arranged.

Article 11 Shareholders who wish to speak during the meeting must produce an opinion slip detailing the topics and the shareholder's account number (or the attendance ID serial). The order of shareholders' comments shall be determined by the chairperson.

Shareholders who submit an opinion slip without actually speaking are considered to have remained silent. If the shareholder's actual comments differ from those stated on the opinion slip, the actual comments expressed shall be recorded.

Each shareholder shall speak no more than twice, for five minutes each, on the same agenda item unless otherwise agreed by the chairperson. The chairperson may stop shareholders from speaking if they violate the rules or speak outside the agenda item under discussion.

While a shareholder is speaking, other shareholders shall not speak simultaneously or interfere in any way unless agreed by the chairperson and the person speaking. Any violators shall be restrained by the chairperson.

Where a corporate shareholder has appointed two or more representatives to attend the shareholders' meeting, only one representative may speak per agenda.

After the shareholder has finished speaking, the chairperson may answer to the shareholder's queries personally or appoint any relevant personnel to do so.

Article 12 Votes in a shareholders' meeting are determined by the number of shares represented during the meeting.

Shares that do not carry voting rights are excluded from the calculation of outstanding shares when voting for the final resolution.

Shareholders cannot vote, or appoint proxies to vote, on any agenda items in which they have a conflict of interest that would be detrimental to the best interests of the Company.

The number of shares held by shareholders who are not permitted to vote shall be excluded from the total voting rights represented in the meeting.

With the exception of trust enterprises and certain share administration agencies approved by the competent authority, a proxy may not represent more than 3% of total voting rights in aggregate when representing two or more shareholders during the meeting. Voting rights that exceed this threshold shall be excluded from calculation.

Article 13 Each share is entitled to one voting right, except for shares where voting rights are restricted as described in Article 179, Paragraph 2 of the Company Act.

Voting rights can be exercised electronically or in writing during a shareholders' meeting. The shareholders' meeting notice must explain the methods through which shareholders may exercise voting rights in writing or in electronic form. Shareholders who have voted in writing or using the electronic method are considered to have attended shareholders' meeting in person. However, they are considered to have waived their rights to participate in any special motions or amendments to the original agendas that may arise during the shareholders' meeting. Instructions to exercise written and electronic votes must be delivered to the Company at least two days before the shareholders' meeting. In the event where there are duplicate submissions, the earliest submission shall be taken into record. However, exception shall be granted if the shareholder issues a proper declaration to withdraw the previous vote. If the shareholder decides to attend the shareholders' meeting in person after submitting a written or electronic vote, a proper declaration of withdrawal must be issued in the same method as did the original vote no later than two days before the shareholders' meeting. If the withdrawal is not received in time, then the written or electronic vote shall be taken into record. If the shareholder has exercised written or electronic votes, and at the same time delegated a proxy to attend the shareholders meeting, then the voting decision exercised by the proxy shall prevail.

Unless otherwise regulated by the Company Act or the Articles of Incorporation, an agenda item is passed when supported by shareholders who represent more than half of the total voting rights in the meeting. An agenda is considered passed if the chairperson receives

no objections from all shareholders. This voting method is as effective as the conventional ballot method.

When there is an amendment or alternative to a proposal, the chairperson 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. If any resolution is passed, all other proposals shall be deemed rejected, and no further voting is necessary.

The Chairperson will appoint a ballot scrutineer and a ballot counter; the ballot scrutineer must be a shareholder. The result of a vote for an agenda shall be announced immediately and recorded in writing.

Article 14 Where the Meeting involves re-election of directors, the election must proceed in accordance with relevant regulations of the Company. Results of the election shall be announced on-site at the Meeting.

The election ballots referred to in the preceding paragraph shall be signed and sealed by the ballot examiner and adequately retained for at least one year. However, in situations where a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, the records shall be kept until the litigation is concluded.

Article 15 Shareholders' meeting resolutions shall be compiled into detailed minutes, and signed or sealed by the chairperson then disseminated to each shareholder no later than 20 days after the meeting. Preparation and distribution of meeting minutes can be made in electronic form.

The Company may distribute meeting minutes by posting details onto MOPS.

The meeting minutes shall detail the date and venue of the meeting, the chairperson's name, the method of resolution, and the proceedings and voting results of various meeting agenda items (including the statistical tallies of the numbers of votes). For election of directors or independent directors, the number of votes for each candidate shall be disclosed. These minutes must be retained for as long as the Company is in existence.

Article 16 During the shareholders' meeting, the Company shall publish information regarding the number of shares acquired by acquirers and

the number of shares represented by proxies using the prescribed format.

The Company must disclose on MOPS any shareholders' meeting resolutions that constitute material information as defined by law or the rules of the Taiwan Stock Exchange Corporation.

Article 17 The chairperson may instruct marshals or security staff to help maintain order in the meeting. The chairperson may stop anyone who attempts to speak using speaker equipment not provided by the Company.

The chairperson may instruct marshals or security staff to remove shareholders who continue to violate the meeting rules despite being warned by the chairperson.

Article 18 The chairperson may put the meeting in recess at appropriate times. In the occurrence of force majeure events, the chairperson may suspend the meeting temporarily and resume at another time.

If the Meeting is unable to conclude all scheduled agenda items (including extempore motions) before the venue is due to be returned, shareholders may resolve to continue the meeting at an alternative venue.

Shareholders may also resolve to postpone or resume the meeting within the next 5 days, according to Article 182 of the Company Act.

Article 19 These Rules shall come into effect upon approval of the shareholders' meeting. The same applies to all subsequent amendments.

Appendix 2: Articles of Incorporation (Before Revision)

**Long Da Construction & Development Corporation
Articles of Incorporation
Chapter 1. General Provisions**

- Article 1 The Company was organized in accordance with the provisions of the Company Act and was named Long Da Construction & Development Corporation, and its English name is Long Da Construction & Development Corporation.
- Article 2 The business scope of the Company is as follows:
1. E101011 Comprehensive Construction Activities
 2. H701010 Residence and Buildings Lease Construction and Development
 3. H701020 Industrial Factory Buildings Lease Construction and Development
 4. H701050 Public Works Construction and Investment
 5. F111090 Wholesale of Building Materials
 6. H703100 Real Estate Rental and Leasing
 7. J901020 Other hotels and accommodation
 8. J801030 Athletics and Recreational Sports Stadium
 9. JZ99120 General Bathhouse
 10. JZ99020 Sauna
 11. C104020 Manufacture of Bakery and Steam Products
 12. F501060 Restaurants
 13. F501030 Coffee/Tea Shops and Bars
 14. ZZ99999 All business items that are not prohibited or restricted by law, in addition to those within the permitted scope.
- Article 3 The Company's reinvestment amount may exceed 40% of the Company's paid-in capital.
- Article3-1 The Company may provide external guarantees depending on business needs, in accordance with the "Endorsement Guarantee Method" stipulated by the Company.

Article 4 The Company is headquartered in Kaohsiung City, Taiwan, and may establish domestic or foreign branches subject to the Board of Directors' approval. The establishment of, changes to, and cancellation of the branches are subject to resolutions by the Board of Directors.

Article 5 The Company's announcement method is implemented in accordance with the Company Act of the Republic of China and other relevant laws and regulations.

Chapter 2. Shareholding

Article 6 The total capital of the Company shall be in the amount of NT\$3 billion divided into 300 million shares at NT\$10 per share to be issued in installments at the discretion of the Board of Directors.

Article 7 The Company's shares may be exempt from printing stock. If the Company prints stocks, it shall comply with the provisions of the Company Act of the Republic of China and other relevant laws and regulations.

The stocks printed by the Company should be registered stocks and issued in accordance with the Company Act of the Republic of China and other relevant laws and regulations.

Article 8 Registration for the transfer of shares shall be suspended for 60 days before the annual meeting of shareholders, for 30 days before an extraordinary shareholders' meeting, or 5 days before the baseline date the Company decides to distribute dividends and bonus or other benefits.

Article 9 When shareholders of the Company handle share affairs such as share transfer, pledge setting, cancellation, loss report, inheritance gift, seal loss report, change or address change, etc., except as otherwise stipulated by laws and securities regulations, the matters should be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" issued by the competent authority.

Chapter 3. Shareholder meetings

- Article 10 The Company holds annual and extraordinary shareholders' meetings. Annual meetings of shareholders are to be held once every year and shall be convened within six months after the close of each fiscal year by the Board of Directors in accordance with the law. Extraordinary meetings are convened when necessary in accordance with the law. All shareholders shall be informed of the reason for meeting 30 days before the annual meeting of shareholders or 15 days before an extraordinary meeting is convened.
- Article 11 When a shareholder is unable to attend the shareholders' meeting for any reason, a power of attorney issued by the Company shall specify the scope of authorization. The use of the power of attorney and the restrictions on voting rights of the entrusted agent to attend the meeting are subject to the provisions of Article 177 of the Company Act and shall comply with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public" issued by the competent authority.
- Article 12 Each shareholder of the Company shall be entitled to one vote for each share. No voting power shall be granted, however, to Company shares prescribed in Article 179 of the Company Act.
- Article 13 When the shareholders' meeting is convened by the Board of Directors, the chairperson shall be the chair. In the event that the chairperson is absent for any reason, the chairperson shall appoint a director to act as his proxy. If no designation is made, the directors shall select one person from among themselves to serve. For meetings convened by any authorized party other than the Board of Directors, the convener will act as the meeting chairperson. If there are two or more conveners at the same time, one shall be appointed from among them to chair the meeting.
- Article 14 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Articles of Incorporation or Company Act, be adopted by a majority vote of the shareholders present or delegates, who represent more than one-half of the total number of voting issued shares.
- Shareholders who exercise voting rights electronically are deemed to

be present in person, and related matters are handled in accordance with laws and regulations.

Article 15 Shareholders' meeting resolutions shall be compiled into detailed minutes, and signed or sealed by the chairperson then disseminated to each shareholder no later than 20 days after the meeting. The minutes must detail the date and venue of the meeting, the chairperson's name, the method of resolution, and the proceeding and results of various meeting agenda items. The meeting minutes, the attendance list bearing the signatures of shareholders present at the meeting, and the powers of attorney of proxies shall be retained together by the Company. These minutes must be retained for as long as the Company is in existence.

The preparation and distribution of meeting minutes can be made in electronic form or as an announcement.

Chapter 4. Director

Article 16 The Company's board consists of seven to nine directors serving for a term of three years. They are elected by the shareholders' meeting from capable persons and may be re-elected. The total number of shares of the Company's registered stocks held by all directors shall be issued by the securities authority according to the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies". When a director transfers more than one-half of the shares held at the time of their election during their term of office, they shall be dismissed from their position.

Among the number of directors in the preceding paragraph, at least three must be independent directors.

Article 16-1 A spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.

Article 16-2 The election of directors is held by nomination in accordance with Article 192-1 of the Company Act. The methods of nominating director candidates, announcements and other related matters shall be handled in accordance with the relevant

laws and regulations of the Company Act and the Securities and Exchange Act. Independent and non-independent directors shall be elected at the same time, but the number of elected candidates shall be separately calculated.

Article 16-3 The Company established an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of all independent directors. The members of the audit committee, the exercise of powers and other matters to be followed, are in accordance with the Company Act, the Securities and Exchange Act, related laws and regulations, and the Articles of Incorporation.

Article 17 When the vacancies of directors reaches one-third of the board or when the number of independent directors is less than three, the Board of Directors shall convene an extraordinary shareholders' meeting within 30 days to elect new directors, and the terms of office for new directors shall be limited to the time limit for the original appointment. After the Company's public offering of shares, the Board of Directors shall convene an extraordinary shareholders meeting within 60 days to handle the matters described above.

Article 18 If the re-election cannot be completed before the expiration of the term of office, the term of office for the directors shall be extended until the re-elected directors assume office. The competent authority, however, is entitled to demand the Company complete the re-election according to the position. If there is still no re-election upon the expiration of the extended term of office, the directors shall be dismissed from the position on the expiration date.

Article 19 The Board of Directors is composed of directors. For the selection of a chairperson, two-thirds or more of the directors must be present and more than half of the present directors must agree on the candidate. The chairperson represents the Company externally, and executes all internal affairs in accordance with laws and regulations, the Company's Articles of Incorporation, and resolutions of the shareholders' meeting and Board of Directors meeting.

Article 20 Unless otherwise specified in the Company Act, resolutions of the Board of Directors shall be voted for by a majority of the directors

present when the meeting is attended by a majority of directors. If a Director is unable to attend a Board meeting, he/she may appoint a proxy to attend the meeting by completing the Company's proxy form and specifying the scope of delegation. However, each person may only act as the proxy for one director.

During the Board of Directors meeting, if video conferencing is used, the directors who participate in the meeting on the video screen shall be deemed to have attended the meeting in person.

Article 21 The execution of the Company's business shall be carried out by the resolution of the Board of Directors, except for matters that shall be resolved by the shareholders' meeting as stipulated in the Company Act or the Articles of Incorporation.

The Board of Directors meeting shall be convened by the chairperson, but the first meeting of the Board of Directors of each term shall be convened in accordance with Article 203 of the Company Act. When the chairperson is unable to perform his duties, the chairperson shall appoint one of the directors to act as his proxy. If no proxy is appointed, the directors shall choose one person to act on the chairperson's behalf. A Board meeting may be convened through written notice, email or fax that states the reason for the meeting to each director at least seven days before the meeting date. A meeting of the Board of Directors may be convened at any time in the event of an emergency.

Article 22 The meeting minutes of the Board of Directors shall be prepared and signed and stamped by the chairperson and distributed to all directors within 20 days after the meeting. The minutes shall record the time, place, name of the chairperson and resolution method of the meeting, the essentials of the proceedings and their results. The retention period shall be as long as the Company is in existence.

Article 23 (Deleted)

Article 24 The directors' transportation fees, salaries, and other remunerations shall be paid at the standard level of the industry regardless of profit or loss, and the amount shall be determined by the Board of Directors.

Article 24-1 The remuneration of independent directors of the Company, regardless of profit or loss, shall be paid at the standard level of the same industry. The amount shall be determined by the Board of

Directors, and is no longer decided according to the distribution of participating directors' remuneration in Article 27 of the Company's Articles of Incorporation.

Chapter 5. Executive officers

Article 25 The Company may appoint a manager, whose appointment, dismissal, and remuneration shall be decided by the Board of Directors.

The manager has the right to manage affairs and sign for the Company within the scope of authorization as stipulated in the Company's Articles of Incorporation or contract.

The manager shall not change the resolutions of the shareholders meeting or the Board of Directors or exceed their prescribed authority.

Article 25-1 The Company may hire important staff and consultants through a resolution of the Board of Directors.

Chapter 6. Accounting

Article 26 The Board of Directors shall, at the end of each fiscal year, prepare the following documents for the Company in accordance with the provisions of the Company Act, and submit them to the Audit Committee for review and approval 30 days before the annual meeting of shareholders, and submit them to the shareholders' meeting for acknowledgment:

- I. Business reports.
- II. Financial statements.
- III. Proposals for distribution of earnings or make-up of deficit.

Article 27 If the Company makes a profit during the year, it should first make up for its losses. If there is still surplus earnings, it should allocate 2% to 4% for employee remuneration and no more than 4% for directors' remuneration.

The employees referred to in the preceding paragraph include employees of affiliated companies who meet certain conditions, whose recognized by the Board of Directors.

Article 27-1 If profit is reported in the final annual accounts, besides paying the

income tax in accordance with laws and regulations, the Company shall set aside ten percent of the profit as a legal reserve after losses have been covered and the special reserve shall be allocated or reversed according to the regulations of the Competent Authority or shareholders' meeting resolution. If there is still surplus earnings, the shareholders' meeting shall decide to distribute shareholder dividends.

The Company is engaged in comprehensive construction activities and develops leasing and sales of houses and buildings. In order to maintain the funds required for diversified operations and appropriately expanding the scale and enhancing the competitiveness needed for sustainable development, it is advisable to adopt flexible distribution rates and flexible cash distribution rates. The distributable surplus of the current year shall be allocated as not less than 5% of the total dividends. The distribution of surplus shall be given priority to cash dividends, and may also be distributed in the form of stock dividends. The cash dividends shall not be less than 10% of the total dividends. However, if the total dividend per share is less than or equal to NT\$50 per share, based on economic principles, it may consist of only stock dividends, only cash dividends or distribution can be reserved.

Chapter 7. Miscellaneous

Article 28 (Deleted)

Article 29 Any matters not addressed in the Articles of Incorporation shall be governed by the Company Act.

Article 30 The Articles of Incorporation was established on March 31, 1982. The first amendment was made on September 30, 1986. The second amendment was made on September 15, 1989. The third amendment was made on August 20, 1990. The fourth amendment was made on November 1, 1991. The fifth amendment was made on October 20, 1992. The sixth amendment was made on February 16, 1993. The seventh amendment was made on March 16, 1993. The eighth

amendment was made on July 20, 1997. The ninth amendment was made on August 25, 1997. The tenth amendment was made on September 15, 1997. The eleventh amendment was made on April 2, 1998. The twelfth amendment was made on June 8, 1999. The thirteenth amendment was made on May 16, 2000. The fourteenth amendment was made on May 8, 2001. The fifteenth amendment was made on June 17, 2002. The sixteenth amendment was made on March 18, 2003. The seventeenth amendment was made on June 17, 2003. The eighteenth amendment was made on June 16, 2005. The nineteenth amendment was made on June 14, 2006. The twentieth amendment was made on June 12, 2007. The twenty-first amendment was made on May 20, 2008. The twenty-second amendment was made on June 16, 2009. The twenty-third amendment was made on June 15, 2010. The twenty-fourth amendment was made on June 19, 2012. The twenty-fifth amendment was made on June 18, 2013. The twenty-sixth amendment was made on June 20, 2014. The twenty-seventh amendment was made on June 20, 2016. The twenty-eighth amendment was made on June 16, 2017. The twenty-ninth amendment was made on June 13, 2018. The thirtieth amendment was made on June 17, 2020.

Appendix 3: Rules Governing the Election of Directors

Article 1 The Rules are hereby formulated in accordance with the Company Act and the Company's Articles of Incorporation. The election of the Company's directors shall be handled in accordance with the provisions of the Rules.

Article 2 The Company's director elections shall proceed during shareholders' meetings.

Article 3 For the Company's director elections, attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders. In the process of electing the Company's directors, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be concentrated to one candidate or allocated among several candidates.

Article 4 Based on the number of seats predefined in the Articles of Incorporation, candidates with the highest votes shall be assigned to fill the director positions. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chairman drawing lots on behalf of any person not in attendance.

When a person who is a legal representative and shareholder, is elected as a director, he or she shall decide to use one of the identities to serve as the director, and the vacancy shall be filled by the second majority of the original election.

Article 4-1 The Company's director and independent director elections shall adopt a nomination system stated in Article 192-1 of the Company Act. Regarding review of director and independent director candidate qualifications, education, experience, whether circumstances in Article 30 of the Company Act exist, documentary proof of other qualifications cannot be additionally listed without completing the appropriate procedures. Review results shall be presented to the shareholders as a basis for the consideration and election of suitable directors and independent

directors.

If the vacancy of directors reaches one-third of the number of seats specified in the Articles of Incorporation, the company shall convene an extraordinary shareholders' meeting to hold a by-election within 60 days from the date of the fact.

Where the number of independent directors falls below the minimum specified in the proviso under Paragraph 1, Article 14-2 of the Securities and Exchange Act or relevant laws and regulations, a by-election shall be held at the next shareholders' meeting. In the event that all the independent directors have been discharged, an extraordinary shareholders' meeting shall be convened to hold a by-election within sixty days from the date of such occurrence.

Article 5 When an election begins, the chair of the shareholders' meeting shall assign several ballot monitors and tellers to perform their respective tasks.

Article 6 The voting ballot shall be issued by the company, and shall be numbered according to the attendance number and its weight shall be added.

Article 7 If a candidate is a shareholder, the voter must indicate in the "candidate" column of the ballot the candidate's account name and shareholder account number. If the candidate is not a shareholder, the voter shall indicate the candidate's name and personal ID number. If the candidate is an institutional shareholder, the name of the institution shall be provided in the candidate's column on the ballot; the name of the institution along with the name and personal ID number of its representative may also be provided. When there are several representatives, the information of each representative shall be provided.

For the elected directors, their total shareholdings shall reach the proportion prescribed by the securities regulatory authority.

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

If the elected person does not comply with the provisions of the preceding paragraph, their authorization shall be invalidated according

to the provisions of Paragraph 6, Article 26-3 of the Securities and Exchange Act.

Article 8 Ballots are considered void in any of the following circumstances:

- I. It is not a ballot specified under the Rules.
- II. The ballot has been cast into the ballot box as a blank ballot.
- III. The writing is unclear and indecipherable or has been altered.
- IV. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register. Both the name and ID card number of the non-shareholder candidate provided on the ballot are not consistent.
- V. Other words or marks are entered in addition to the candidate's account name (name) or shareholder account number (ID number) and the number of voting rights allotted.

Article 9 After the balloting result is checked by the ballot examiner, the valid ballot and the invalid ballot shall be marked with the words voided and signed and sealed by the ballot examiner.

Article 10 In the event that the total number of registered shares held by all the elected directors is less than the prescribed number, the chairman shall solicit the opinions of shareholders and handle the matter in one of the following ways:

- I. Shareholders may also resolve to postpone and resume the meeting within the next five days for re-election of the directors in accordance with Article 182 of the Company Act.
- II. Insufficient shares may be replenished within one month by the agreement of all elected directors to the competent authority. If the amount fails to be replenished within one month, the election shall be invalid in accordance with Article 71 of the Civil Code, and an extraordinary shareholders meeting shall be held for re-election.

Article 11 Matters not provided herein shall be subject to the provisions of the Company Act and other applicable laws and regulations.

Article 12 These Rules shall come into effect upon approval of the annual meeting of shareholders. The same applies to all subsequent amendments.

Appendix 4: Shareholdings of all directors (15th term)

- I. As of the closing date (March 27, 2021), the number of outstanding shares of the Company is 219,197,180 shares, and the legally required number of shares held by all directors is 12,000,000 shares.
- II. The shareholding status of all directors (15th term) is as follows:

Title	Name	Number of Shares	Shareholding ratio
Chairman	Chen Wucong	1,024,407 shares	0.47%
Director	Yikung Investment Co., Ltd. Legal representative: Lin Zhefeng	2,450,617 shares	1.12%
Director	Da Jing Inv Co. Ltd. Legal representative: Chen Youqi	28,658,433 shares	13.07%
Director	Zhang Jiayin	8,504 shares	0%
Independent Director	Lin Xiangkai	0 shares	0%
Independent Director	Jiang Yongzheng	0 shares	0%
Independent Director	Lin Yaowen	0 shares	0%
Total shareholdings of all directors		32,141,961 shares	14.66%

Note: Rounding is used to round to the second decimal place.

Appendix 5: Acceptance of Shareholder Proposals

Instructions for handling shareholder proposals:

- I. Shareholders who own more than 1% of the Company's outstanding shares are entitled to propose agenda items for discussion in the annual meeting of shareholders according to Article 172-1 of the Company Act. Each shareholder may only propose one agenda item; any further proposals will be excluded from discussion and shareholder proposals are limited to 300 words.
- II. The company announced the shareholder's right of proposal in the Market Observation Post System for the period from March 12, 2021 to March 22, 2021. Since the company did not receive any shareholder proposals during this period, no discussion will be held at the 2021 annual meeting of shareholders.