

Stock Code: 1808



RUN LONG CONSTRUCTION CO., LTD.

**2021 Annual Shareholders' Meeting
Meeting Handbook**

Time of shareholders' meeting: June 10, 2021 at 9:00 a.m.
Place of shareholders' meeting: No.8 Zhifu Rd, Zhongshan
District, Taipei City (Shimmer Hall, Dazhi Denwell Hotel)

Table of Contents

	Page
Meeting Agenda	1
Report Items	2
Proposals for Acceptance and Approval.....	11
Discussion Items	13
Election Matters	15
Other Proposals	16
Extemporaneous Motions.....	16
Attachments	
I. Comparison Table of Amendments to the “Codes of Ethical Conduct”	17
II. CPAs’ Audit Report and the 2020 Consolidated Financial Statements	18
III. CPAs’ Audit Report and the 2020 Standalone Financial Statements	27
IV. Comparison Table of Amendments to the “Rules of Procedure for Shareholder Meetings”	36
V. Comparison Table of Amendments to the “Regulations for the Election of Directors”	38
VI. List of Candidates of Directors (Including Independent Directors)	39
Appendix	
I. Articles of Incorporation	40
II. Rules of Procedures for Shareholders’ Meeting	49
III. Regulations for Election of Directors	57
IV. Shareholdings of Directors.....	59
V. The Impact of Issuance of Bonus Shares Proposed in this Shareholders’ Meeting on the Company’s Business Performances and Earnings per Share.....	60

RUN LONG CONSTRUCTION CO., LTD.

2021 Annual Shareholders' Meeting Agenda

Time: June 10, 2021 (Thursday) at 9:00 a.m.

Venue: No. 8 Zhifu Rd., Zhongshan District, Taipei City
(Shimmer Hall, Dazhi Denwell Hotel)

Agenda

- I. Call the meeting to order (Report the number of shares attending)
- II. Chairman's Address
- III. Report Items
 - (I) 2020 Business Report.
 - (II) 2020 Audit Report of the Audit Committee.
 - (III) Report on the distribution status for the 2020 remuneration to employees and directors.
 - (IV) Report on the distribution of cash dividends from the 2020 earnings.
 - (V) Report on the amendments to "Codes of Ethical Conduct."
- IV. Proposals for Acceptance and Approval
 - (II) Proposal for the Company's 2020 business report and financial statements.
 - (III) Proposal for the Company's 2020 earnings distribution.
- V. Discussion Items
 - (I) Proposal for the Company's 2020 earnings and capital surplus to issue new shares.
 - (II) Proposal for amendments to the Company's "Rules of Procedure for Shareholder Meetings."
 - (III) Proposal for amendments to the Company's "Regulations for Election of Directors."
- VI. Election Matters
 - (I) Proposal for the Company's re-election of directors.
- VII. Other Proposals
 - (I) Proposal for the Company to discharge the restriction of director competition.
- VIII. Extemporaneous Motions
- IX. Adjournment

Report Items

Item I

Proposal: 2020 business report for review.

Explanation: The Company's 2020 business report is as follows:

RUN LONG CONSTRUCTION CO., LTD. Business Report



Dear Shareholders,

Thank you all for being here with us. On behalf of Run Long, I would like to express my sincere gratitude for your support over the past year!

At last, 2020 has come to an end! Time Magazine, published on December 5, 2020 has marked the troublesome year. The world was hit by the COVID-19 pandemic and extreme climate disasters, including floods and wildfires, with a cover depicting a red “X” and declaring it as the “worst year ever.” The outbreak in Taiwan was relatively well-controlled compared to most countries around the world, and the achievements of the nation were highly recognized worldwide. Moreover, the internationally acclaimed magazine, The Economist, ranked Taiwan as one of the most-improved countries in 2020, and although Malawi took the crown, Taiwan’s visibility has increased considerably.

At the beginning of 2020, the lives of ordinary Taiwanese were put on hold, however, “normality” returned in the middle of the year, and the “recovery” was the envy of many countries. Thanks to the remarkable achievements, both foreign investors and Taiwanese businessmen remained upbeat and have been putting substantial investments in the country. As a result, Taiwan’s stock exchange reached new highs with a GDP growth of 2.98%. Taiwan is one of the few countries around the globe that can still open a professional baseball season and hold large-scale concerts as well as arts and cultural events. Owing to these successes, Taiwan’s real estate market continues to maintain its popularity. Due to the fact that a large number of people were buying houses in the second half of 2020, it caught the attention of the Executive Yuan. The Executive Yuan proposed measures to curb housing speculation and financial control measures, including Housing Justice 2.0 and the control of

speculation in the red list of pre-sale houses. However, given such circumstances, the housing market's cash flow and low-interest rate environment will not change in the near future. With the support of strong demand and the momentum of property purchase, the market should not be affected by the central bank's policy to combat speculation.

Looking forward to 2021, with the introduction of the vaccine further boosting the economy, there is still a possibility for a resurgence of the pandemic before herd immunity is reached. There is no answer as to when the pandemic will end and when people will be allowed to travel overseas. With local cases being found in Taiwan in January this year, a future outbreak and economic outlook are uncertain. Nevertheless, given that the world is still in the quantitative easing trend, the real estate market with high value and stable investment returns still hold a certain degree of attraction in the process of decapitalization. Hence, the housing market in 2021 will remain "cautiously optimistic."

At the end of 2020, the government took action to regulate and control the market and eliminate short-term speculation, possibly affecting buyers' confidence in the short term. However, it is possible to combat speculative demand and prevent the housing market from being overheated in the long run, which will allow the market to rebound and thrive further and for longer. At present, Taiwan's market is still dominated by the demand for self-occupied homes. Nevertheless, with ultra-low interest rates, the capital market and overseas businessmen returning to Taiwan for investment, there is now more willingness to buy properties. In terms of product portfolio, "small houses," "small houses with 2 rooms" and "houses with 2+1 rooms," or "small luxury houses" aimed at upper-class groups are still the mainstream of the housing market. At Run Long, we center on small luxury apartments for first-time buyers. Not only can these properties be lived in by the owners, they can also be rented out for investment. These apartments are more refined in terms of product design, building materials and utility planning.

In recent years, we have been proactively introducing our projects in major metropolitan areas around Taiwan. In 2020, we introduced the "Shicheng Run Long" in Taoyuan and the "Shicheng Aiyue" in Taichung, which have been proven relatively

popular. Also, the remaining apartments in the “NTC National Trading Center” in Taichung and the “Jinxin Wenhui” in Taipei and pre-sales of the “Bokelai Park” in Banqiao, the “Run Long (Jinai NO2)” in Tainan, the “Yuechen” the “Wenhua Run Long” and the “Shuhoyuan” in Kaohsiung have all achieved good results.

In 2021, we will strive to eliminate our remaining houses while focusing on apartments for first-time buyers. At present, the projects we are planning and expecting to launch are situated in De'an (Keelung), Wanfang in Wenshan District (Taipei), Yuantong in Zhonghe District (New Taipei city), and Qingsheng Section (Taoyuan).

Finally, I would like to thank all of our colleagues for their efforts. With the completion and handover of the “Shicheng Run Long” in Taoyuan in June 2020, and the “Yuechen” in Kaohsiung in December 2020, and projects due to be completed and handed over to the owners in 2021, including the “Bokelai Park” in Banqiao, the “Run Long(Jinai NO2)” in Tainan, and the “Wenhua Run Long” in Kaohsiung, the Company's revenue grew remarkably throughout the year. In the future, we will continue to uphold our management principle of pragmatic and steady business approach, hoping to maintain stable revenue while at the same time pursuing regular profitability for our shareholders.

The Company's 2020 business report is as follows:

1. Implementation result of the 2020 business plan:

- (1) In 2020, the Company's consolidated net operating revenue totaled NT\$7,656,236 thousand, an increase of NT\$3,457,580 thousand from NT\$4,198,656 in 2019, representation a growth rate of 82.35%.
- (2) In 2020, the Company's consolidated net income before tax totaled NT\$210,030 thousand, a decrease of NT\$531,714 thousand from NT\$741,744 thousand in 2019.
- (3) To sum up, the Company's net income before tax was lower in 2020 mainly due to the Company's effort to eliminate remaining houses by selling them at a discount. Even though sales were achieved according to the plan, net before tax still decreased compared to 2019.

2. Budget implementation status:

In accordance with the “Regulations Governing the Publication of Financial Forecasts of Public Companies,” it is not necessary for the Company to prepare financial forecasting for 2020.

3. Analysis of financial income and expense and profitability:

(Expressed in Thousands of New Taiwan Dollar)

Item		Year	2020	2019
Financial income and expenses	Net operating income		7,656,236	4,198,656
	Gross profit from operations		1,016,928	517,128
	Profit after tax		117,248	655,920
Solvency	Current ratio (%)		139.74	189.70
	Quick ratio (%)		33.17	42.46
Profitability	Return on assets (%)		1.4	3.59
	Return on equity (%)		2.21	10.22
	Operating profit to paid-in capital ratio (%)		10.93	-2.50
	Pre-tax net profit to paid-in capital ratio (%)		5.67	24.05
	Net profit rate (%)		1.53	15.62
	Earnings per share(NT\$)		0.32	1.77

Note: Consolidated information of the Company and its subsidiaries.

4. Status of research and development:

(1) Architectural planning and design:

- ①. The residential building is designed for first-time buyers and home exchangers. In terms of design space, the apartments are divided into 2 or 3 rooms using safe and healthy building materials. We value the needs of users in a bid to achieve both aesthetics and practicality.
- ②. By working with renowned architectural teams from Taiwan and abroad, the design and planning for high-end residential buildings target upper-class first-time buyers and home exchanges. Smaller apartments can also become the benchmark buildings in the region.
- ③. The ideas of “green building” and “smart living space” will be combined. Using the green building as the foundation, we will introduce the application of smart high-end technology that meets the needs of a rapidly changing market.
- ④. In the design and planning stages, the visual communication platform of the 3D modeling software "Building Information Modeling" (BIM) is used. By taking this approach, we can facilitate horizontal and vertical communication, coordination and integration among design, construction and user units to improve efficiency as well as quality.
- ⑤. Due to the effects of the pandemic outbreak, “epidemic-proof building materials” are the trend for future projects. Public spaces and homes will be upgraded with epidemic-proof building materials.

(2) Construction and management:

- ①. The 3D modeling software “BIM” will be used to review the project interface, resolve conflicts to achieve accurate construction standards, and improve deficiencies of traditional construction management, reducing overall construction costs.
- ②. As there is a shortage of manpower for traditional technology, we will do our utmost to research and develop methods or adjust the process to reduce the traditional wet construction mode so as to decrease environmental pollution (e.g. the possibility to grout wall tiles instead

of reinforced concrete walls, dry flooring instead of floor tiles, etc.).


- ③. By using aluminum formwork to replace traditional formwork, construction waste can be reduced, construction quality improved. As it can be reused, the long-term operating costs will also be reduced.
- ④. To enhance the quality of a quiet living environment, not only can sound insulation and noise reduction measures be implemented, public facilities such as swimming pools that generate noise can also be installed with noise reduction devices.

(3) Market research and development:

- ①. The Group's official "House Appreciate Platform" has been launched with the website divided into sections including "News," "Properties," "Fashion & Taste," "ArchCollege," "Brands" and "Hot Events." We provide information on the Group's latest projects in Taiwan so that consumers can get hold of the latest information and services available.
- ②. We will continue to operate in the mainstream residential building market, focusing on homeownership and home exchange needs to meet the market demand. We will also strive to improve our after-sales services and quality control processes to gain recognition from home buyers and increase our brand awareness.
- ③. As we are not yet in the digital social era, the Company has launched online issue-specific digital videos. By integrating our brand principles into the videos, we can capture the hearts and minds of home buyers while gaining recognition from target consumers.

Chairman: 

Managerial Officer: 

Head of Accounting: 

Item II

Proposal: 2020 audit report of the Audit Committee for review.

Explanation: The 2020 audit report of the Audit Committee is as follows:


RUN LONG CONSTRUCTION CO., LTD.
Audit Committee's Review Report

The Board of Directors has submitted the Company's 2020 business report, financial statements (including consolidated financial statements) and the proposal for earnings distribution; among these, the financial statements (including consolidated financial statements) have been audited by Yilien Han and Ti-Nuan Chien of KPMG and the audit report has been issued. The said business report, financial statements and the proposal for earnings distribution have been audited by the Audit Committee, with no discrepancy found. We have presented you the reports based on the provisions stipulated in Article 14-4 in the Securities and Exchange Act and Article 219 in the Company Act.

Regards,
2021 Annual General Meeting of Run Long construction Co., Ltd.

Audit Committee Convener: Li Wencheng



March 19, 2021

Item III

Proposal: Report on the distribution status for the 2020 remuneration to employees and directors for review.

Explanation:

- I. In accordance with Article 29 in the Company's "Articles of Incorporation," if there is a profit within the Company in the year, no less than one-thousandth of the profit shall be set aside as remuneration to employees, and no more than one-hundredth of the profit to directors.
- II. For 2020, the Board of Directors resolved to distribute remuneration of NT\$3,500,000 (approximately 1.95%) to employees and NT\$1,500,000 (approximately 0.83%) to directors.
- III. The amount of distribution was estimated and proposed based on the Company's financial statements, and there was no difference from the estimated amount of the recognized expenses for 2020.

Item IV

Proposal: Report on the distribution of cash dividends from the 2020 earnings for review.

Explanation:

- I. In accordance with Article 29-1 of the Company's "Articles of Incorporation," the Board of Directors is authorized to resolve the distribution of all or part of the dividends and bonuses or legal reserve and capital surplus in cash.
- II. The proposed appropriation of earnings totaled NT\$74,000,000, will be allotted, with cash dividends of NT\$0.2 per share (e.g. NT\$200 per thousand shares). The cash dividends are calculated up to NT\$1.0 (decimal points are not accounted for). The total uncounted shares in fractions of NT\$1.0 shall be listed as other income of the Company.
- III. The proposal has been resolved by the board meeting and the Board of Directors has been authorized to set the base date for dividend distribution, payment date and other related matters. In case of changes to laws and regulations or adjustments made by competent agencies or the buyback,

cancellation, share exchange of corporate bonds, issuance of new stocks or other changing factors affecting the shares by the Company afterward, resulting in changes to the current number of shares and pay-out ratio, full authorization shall be given to Board of Directors to fully handle these matters.

Item V

Proposal: Report on the amendments to “Codes of Ethical Conduct” for review.

Explanation:

- I. Part of the Company's “Guidelines for the “Codes of Ethical Conduct” was amended in accordance with Letter No. Tai-Zheng-Zhi-Li-10900094681 issued by the Taiwan Stock Exchange Corporation on June 3, 2020.
- II. For the comparison table of the amended provisions of the “Guidelines for the “Codes of Ethical Conduct,” please refer to “Attachment I” on page 17 of the Handbook.

Proposals for Acceptance and Approval

Item I: Proposed by the Board of Directors

Proposal: The Company's Business Report and Financial Statements of 2020 shall be proposed for acceptance and approval.

Explanation:

- I. The Company's 2020 financial statements, including the balance sheet, the statement of comprehensive income, statement of changes in equity, cash flow statement and consolidated statements with subsidiaries, have been certified by the accountants Yilien Han and Ti-Nuan Chien of KPMG. The audit report has been submitted together with the business report (please refer to Pages 2-5 of the Handbook), which the Audit Committee has audited.
- II. Please refer to "Attachment II and Attachment III" on pages 18-35 of the Handbook for the CPAs' audit report and the above financial statements.

Resolution:

Item II: Proposed by the Board of Directors

Proposal: Proposal of the Company's 2020 earnings distribution for recognition.

Explanation:

1. The Company's net income after tax for 2020 was NT\$117,247,773, plus NT\$45,084,994 of undistributed earnings at the beginning of the period, NT\$254,475 of equity instruments disposed of at fair value through other comprehensive income, and NT\$11,750,225 of legal reserve, the distributable earnings at the end of the period totaled NT\$150,837,017.
- II. The 2020 earnings distribution table is as follows:


RUN LONG CONSTRUCTION CO., LTD.
 2020 Earnings Distribution Table

Unit: NT\$

Item	Amount	
	Subtotal	Total
Beginning balance of undistributed earnings		45,084,994
Add: Current net profit after tax	117,247,773	
Disposal of equity instruments measured at fair value through other comprehensive income	254,475	
Less: 10% legal reserve set aside	(11,750,225)	
Distributable earnings		150,837,017
Less: Distribution items for the period:		
Bonus to shareholders - stock (NT\$0.2/share)	(74,000,000)	
Dividend to shareholders - cash (NT\$0.2 per share)	(74,000,000)	
End balance of undistributed earnings		2,837,017

Chairman:



Managerial Officer:



Head of Accounting:



Resolution:

Discussion Items

Item I: Proposed by the Board of Directors

Proposal: The Company's 2020 earnings and capital surplus to issue new shares for recognition.

Explanation:

- I. In an attempt to enrich the working capital, the Company intended to transfer NT\$74,000,000 from its 2020 distributable earnings to issue 7,400,000 new shares. The capital surplus from the issuance of shares in excess of par value was appropriated in the amount of NT\$148,000,000 for the issuance of 14,800,000 new shares, for a total of 22,200,000 common shares with a par value of NT\$10 per share.
- II. The new shares to be issued from earnings and the capital surplus will be distributed in accordance with the shareholding ratio listed in the shareholders' register on the base date of the distribution (capital increase), with 20 shares per 1,000 shares from earnings and 40 shares per 1,000 shares from capital surplus, for a total of 60 shares per 1,000 shares.
- III. Fractions of shares that do not amount to a full NT\$1 shall be handled by the shareholders themselves within 5 days from the date of book closure at the time of ex-rights. The amount of cash dividends shall be calculated and truncated to the nearest NT\$1 and shall be distributed in cash. In accordance with Article 240 of the Company Act, fractions that do not amount to a full NT\$1 shall be summed, and the Chairman shall be authorized to make an enquiry to specific persons for the subscription of shares. For the shareholders engaging in the issuance of stocks by book-entry, the shares in fractions of 1 shall be served as the payout on the expenses for handling the book-entries.
- IV. Regarding the new stock issued for capital increase, the rights and obligations are the same as the originally issued common stock.
- V. Regarding the issuance of new stock for capital increase, after this proposal has been approved by shareholders' meeting and submitted for approval by competent agencies, authorization is given to the Board to establish relevant matters for the record date of capital increase (bonus shares). In case of changes to laws and regulations or adjustments made by competent agencies or the buyback, cancellation, share exchange of corporate bonds, issuance of new stocks or other changing factors affecting the shares by the Company afterwards, resulting changes to the current number of shares and pay-out ratio, full authorization shall be given to Board of Directors to fully handle these matters.

Resolution:

Item II: Proposed by the Board of Directors

Proposal: Amendments to the Company's "Rules of Procedure for Shareholder Meetings" for resolution.

Explanation:

- I. Part of the Company's "Rules of Procedure for Shareholder Meetings" was amended in accordance with Letter No. Tai-Zheng-Zhi-Li-10900094681 issued by the Taiwan Stock Exchange Corporation on June 3, 2020 and Letter No. Tai-Zheng-Zhi-Li-11000014461 issued on January 28, 2021.
- II. For the comparison table of amendments to the "Rules of Procedure for Shareholder Meetings," please refer to "Attachment IV" on pages 36-37 of the Handbook.

Resolution:

Item III: Proposed by the Board of Directors

Proposal: Amendments to partial articles of "Regulations for Election of Directors" for resolution.

Explanation:

- I. Part of the Company's "Regulations for Election of Directors" was amended in accordance with the Letter No. Tai-Zheng-Zhi-Li-10900094681 issued by the Taiwan Stock Exchange Corporation on June 3, 2020.
- II. For the comparison table of amendments to the "Regulations for Election of Directors," please refer to "Attachment V" on page 38 of the Handbook.

Resolution:

Election Matters

Item I: Proposed by the Board of Directors

Proposal: Re-election of the Company's Directors.

Explanation:

- I. The term of office of the Board will end on June 10, 2021. Hence, re-election shall be conducted in accordance with the Company Act and Articles of Incorporation.
- II. In accordance with the Company's Articles of Incorporation, 7 directors (including 3 independent directors) shall be elected with a term of office of 3 years beginning from June 10, 2021 and ending on June 9, 2024.
- III. A candidate nomination system shall be adopted for the election of directors. The shareholders shall elect from the list of candidates of shareholders. Please refer to Attachment VI on page 39 of the Handbook for the candidates' academic background, experiences, and other relevant information.

Election Results:

Other Proposals

Item I: Proposed by the Board of Directors

Proposal: Release the prohibition on directors from participation in competitive business for resolution.

Explanation:

- I. According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person within the scope of the company's business shall explain to the meeting of shareholders the essential contents of such an act secure its approval.
- II. If the Company's newly elected directors and their representatives have invested in or acted as directors or managerial officers of the other companies operating in the same or similar types of business as the Company, the discharge of the restriction of competition between newly elected directors and their representatives shall be subject to the approval of the shareholders' meeting as required by the law.

Title of the Candidates	Name of Candidates	Name and Positions in the Concurrent Companies
Director Representative	Kuang Yang Investment Co., Ltd. Representative: Chiu Pingtse	Chairman of Chin Chun Construction Co., Ltd.
Independent Director	Li Wencheng	Independent Director of Highwealth Construction Corporation Independent Director of Roo Hsing Co., Ltd.
Independent Director	Yen Yunchi	Chairman Tungyue Advertising Co., Ltd.
Independent Director	Chen Yungchang	Flexium Interconnect Inc. Legal Person Director Representative
		LandMark Optoelectronics Corporation Independent Director
		Independent Director of Center Ventures
		Independent Director of Collins Co. Ltd.

Resolution:

Extemporary Motions

Adjournment

Attachment I

RUN LONG CONSTRUCTION CO., LTD.

Comparison Table of Amendments to the “Codes of Ethical Conduct”

Provision after amendment	Current provision	Reason for amendment
<p>Article 2 Prevention of conflict of interest The Company's employees should avoid conflicts of interest that occur when a person's private interest interferes or may interfere with the Company's interest as a whole, including, but not limited to, situations where the employee is unable to perform his/her work objectively and effectively due to his/her personal interest, or when he/she, his/her spouse or relative within the second degree of kinship receives undue benefits as a result of his/her position in the Company. In the event of the Company's engagement in the loaning of funds or the provision of guarantees, material asset transactions, or purchase (sales) transactions with the affiliated enterprises to the said employees, the Company's employees shall follow the relevant operating procedures and take the initiative to explain whether there is any potential conflict of interest with the Company in order to prevent the situation.</p>	<p>Article 2 Prevention of conflict of interest The Company's employees should avoid conflicts of interest that occur when a person's private interest interferes or may interfere with the Company's interest as a whole, including, but not limited to, situations where the employee is unable to perform his/her work objectively and effectively due to his/her personal interest, or when he/she, his/her spouse, <u>parent, child</u>, or relative within the second degree of kinship receives undue benefits as a result of his/her position in the Company. In the event of the Company's engagement in the loaning of funds or the provision of guarantees, material asset transactions, or purchase (sales) transactions with the affiliated enterprises to the said employees, the Company's employees shall follow the relevant operating procedures and take the initiative to explain whether there is any potential conflict of interest with the Company in order to prevent the situation.</p>	<p>Amendments are made in accordance with Article 2(1) of the “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies.”</p>
<p>Article 8 Encouraging the reporting of any illegal or unethical behavior The company shall raise awareness of ethics internally and encourage employees to report according to the Company's “Management Measures for Reporting” and provide sufficient information to help the Company handle subsequent matters appropriately. The Company handles the above-mentioned information in a confidential and responsible manner and allows <u>anonymous reporting</u> while using its best efforts to ensure the safety of <u>informants</u> and protect them from reprisals.</p>	<p>Article 8 Encouraging the reporting of any illegal or unethical behavior The company shall raise awareness of ethics internally and encourage employees to report according to the Company's “Management Measures for Reporting” and provide sufficient information to help the Company handle subsequent matters appropriately. The Company handles the above-mentioned information in a confidential and responsible manner and uses its best efforts to ensure the safety of <u>reporters</u> and protect them from reprisals.</p>	<p>Amendments are made in accordance with Article 2(7) of the “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies.”</p>
<p>Article 13 Date of formulation and amendment These Codes were passed by the board meeting held on March 27, 2006, and were reported at the shareholders' meeting held on June 15, 2006. The first amendment was passed by the board meeting held on March 20, 2015, and was reported at the shareholders' meeting held on June 11, 2015. The second amendment was passed by the board meeting held on August 6, 2018, and was reported at the shareholders' meeting held on June 10, 2019. <u>The third amendment was passed by the board meeting held on August 12, 2020, and is proposed to be reported at the shareholders' meeting held on June 10, 2021.</u></p>	<p>Article 13 Date of formulation and amendment These Codes were passed by the board meeting held on March 27, 2006, and were reported at the shareholders' meeting held on June 15, 2006. The first amendment was passed by the board meeting held on March 20, 2015, and was reported at the shareholders' meeting held on June 11, 2015. The second amendment was passed by the board meeting held on August 6, 2018, and was reported at the shareholders' meeting held on June 10, 2019.</p>	<p>Addition of dates of amendments</p>



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Independent Auditors' Report

To the Board of Directors of Run Long Construction Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Run Long Construction Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRS”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition on sales of properties and land

Please refer to note 4(o), and 6(u) for the consolidated financial statements for the accounting policy on revenue recognition and the details of revenue.



Description of key audit matter

The real estate industry, in which the Group is into, has a higher tendency of revenue fluctuation, therefore the management has set up relevant internal control procedures. The Group's sales revenue was \$3,930,087 thousand in 2020, whether revenue is presented fairly has a significant impact on financial statement. Therefore, the recognition of sales revenue is one of the most important evaluation in performing our audit procedures.

Auditing procedures performed

Our principal audit procedures included the following: We test the effectiveness of the design and implementing the internal control system of sales revenue; Inspect of sales contracts, bank account transaction record and real estate ownership transfer document, etc.; Test the samples of sales transaction before and after the end of the year to ensure the correctness of sales revenue.

2. Construction contracts

Please refer to note 4(o), 5, and 6(u) of the consolidated financial statements for the accounting policies on revenue recognition, assumption used, and uncertainties considered in determining the total estimated costs, and revenue recognized from contracts.

Description of key audit matter

The Group is into industry of civil engineering and building construction contractors. The Group's sales revenue from these contracts was \$3,711,639 thousand in 2020, the revenue constituted 49% of the consolidated revenue. Revenues and costs of construction contracts are recognized and evaluated according to IFRS15. Management judgment and estimation may be involved in determining total revenue, total estimated cost, and the extent of completion. Therefore, the recognition of revenue and cost of construction contracts is one of the most important evaluation in performing our audit procedures.

Auditing procedures performed

Our principal audit procedures included the following: We test the effectiveness of internal controls system of engineering revenue, receivable collection, contracting out and purchasing, payments and budgeting, which are relevant to financial report; compare and evaluate whether there is significant exception of change in total revenue, total estimated cost and the extent of completion; We obtain the revenue and cost the business estimated, review the completion and rationality in total contract price, budget, and accumulated involvement, to assess whether there is significant exception in contract revenue and cost that the business recognized.

3. Inventory valuation

Please refer to note 4(g), 5, and 6(e) of the consolidated financial statements for the accounting policies on measuring inventory, assumption used, and uncertainties considered in determining the net realizable value and the details of inventory.

Description of key audit matter

As of December 31, 2020, inventory of the Group valued \$24,811,953 thousand, constituting 67% of the consolidated total assets, which was presented with lower of cost or net realizable value method. The judgment of net realizable value of inventory relies on management since the Group focuses on real estate industry, which is not only deeply affected by politics, macroeconomics, prosperity, and revolution of housing and land taxation, but also an industry involving a large portion of capital infusion and long-term payback. Thus, the valuation of inventory is one of the most important evaluation in performing our audit procedures.



Auditing procedures performed

Our principal audit procedures included the following: We understand the Group's operating and accounting procedures for inventory valuation; Obtain the Group management's data of inventory valuation; verify and inspect market value of the afore mentioned information. The net realizable value can be assessed in the following ways: through reviewing the recent selling price of the premises, by inquiring the selling price of premises nearby from the "Actual Selling Price of Real Estate" website, or by obtaining project investment analysis tables, inspecting and recalculating the net realizable value of inventory to ensure if it is adequate.

Other Matter

Run Long Construction Co., Ltd. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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



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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yilien Han and Ti-Nuan Chien.

KPMG

Taipei, Taiwan (Republic of China)

March 19, 2021

Notes to Readers

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

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2020</u>		<u>December 31, 2019</u>				<u>December 31, 2020</u>		<u>December 31, 2019</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>			<u>Amount</u>	<u>%</u>		
Assets								Liabilities and Equity			
Current assets:								Current liabilities:			
1100	Cash and cash equivalents (note 6(a))	\$ 2,109,643	6	2,097,780	7	2100	Short-term borrowings (note 6(k))	\$ 11,936,172	32	8,450,133	29
1110	Current financial assets at fair value through profit or loss (notes 6(b) and 8)	-	-	146,269	1	2110	Short-term notes and bills payable (note 6(k))	2,758,113	8	561,300	2
1120	Current financial assets at fair value through other comprehensive income (notes 6(c) and 8)	602,698	2	553,285	2	2130	Current contract liabilities (notes 6 (u) and 9)	3,365,105	9	1,773,839	6
1140	Current contract assets (note 6(u))	114,388	-	56,047	-	2150	Notes payable	71	-	-	-
1150	Notes receivable, net (note 6(d))	160,692	-	129,820	-	2170	Accounts payable	1,616,669	5	1,285,732	5
1170	Accounts receivable, net (note 6(d))	113,103	-	276,924	1	2180	Accounts payable to related parties (note 7)	562,306	2	351,816	1
1180	Accounts receivable due from related parties, net (notes 6(d) and 7)	197,249	1	407,430	2	2200	Other payables (note 7)	342,077	1	295,124	1
1200	Other receivables	1,594	-	1,405	-	2230	Current tax liabilities (note 6(r))	98,983	-	21,125	-
1210	Other receivables due from related parties (note 7)	47,457	-	2,037	-	2250	Current provisions (notes 6(o) and (q))	21,262	-	8,565	-
1220	Current tax assets	4,869	-	-	-	2280	Current lease liabilities (note 6(n))	8,827	-	3,400	-
1310	Inventories, manufacturing business (note 6(e))	10,598	-	11,085	-	2321	Bonds payable, current portion or putable bonds (note 6(m))	1,481,281	4	-	-
1320	Inventories (for construction business) (notes 6(e), 7 and 8)	24,811,953	67	18,866,447	65	2322	Long-term borrowings, current portion (note 6(l))	1,018,091	3	57,947	-
1410	Prepayments	248,904	1	118,225	-	2399	Other current liabilities, others	<u>318,466</u>	<u>1</u>	<u>92,176</u>	<u>-</u>
1461	Non-current assets held for sale (notes 6(f) and 8)	1,187,386	3	-	-			<u>23,527,423</u>	<u>65</u>	<u>12,901,157</u>	<u>44</u>
1476	Other current financial assets (notes 6(j), 7 and 8)	2,799,983	8	1,482,516	5	Non-Current liabilities:					
1479	Other current assets, others	56,616	-	107,351	-	2530	Bonds payable (note 6(m))	7,851,491	21	9,336,292	32
1480	Current assets recognized as incremental costs to obtain contract with customers (note 6(j))	<u>410,475</u>	<u>1</u>	<u>217,060</u>	<u>1</u>	2541	Long-term bank loans (note 6(l))	344,482	1	1,363,388	5
		<u>32,877,608</u>	<u>89</u>	<u>24,473,681</u>	<u>84</u>	2570	Deferred tax liabilities (note 6(r))	2,844	-	2,844	-
						2580	Non-current lease liabilities (note 6(n))	<u>814</u>	<u>-</u>	<u>770</u>	<u>-</u>
Non-current assets:								<u>8,199,631</u>	<u>22</u>	<u>10,703,294</u>	<u>37</u>
1600	Property, plant and equipment (notes 6(g) and 8)	243,860	1	1,601,532	6		Total liabilities	<u>31,727,054</u>	<u>87</u>	<u>23,604,451</u>	<u>81</u>
1755	Right-of-use assets (note 6(h))	12,173	-	6,702	-		Equity attributable to owners of parent (note 6(s)):				
1760	Investment property, net (notes 6(i) and 8)	681,434	2	687,661	2	3110	Ordinary share	3,699,966	10	3,083,305	11
1780	Intangible assets	15,051	-	10,046	-	3200	Capital surplus	168,389	-	779,297	3
1840	Deferred tax assets (note 6(r))	3,555	-	858	-	3300	Retained earnings	1,052,113	3	1,551,272	5
1915	Prepayments for business facilities	58,424	-	-	-	3400	Other equity interest	<u>150,468</u>	<u>-</u>	<u>101,054</u>	<u>-</u>
1984	Other non-current financial assets, others (notes 6(j) and 8)	<u>2,905,885</u>	<u>8</u>	<u>2,338,899</u>	<u>8</u>		Total equity	5,070,936	13	5,514,928	19
		<u>3,920,382</u>	<u>11</u>	<u>4,645,698</u>	<u>16</u>						
Total assets		<u>\$ 36,797,990</u>	<u>100</u>	<u>29,119,379</u>	<u>100</u>	Total liabilities and equity		<u>\$ 36,797,990</u>	<u>100</u>	<u>29,119,379</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2020		2019	
		Amount	%	Amount	%
Operating Revenues (notes 6(p), (u) and 7):					
4511	Construction revenue	\$ 3,930,087	51	1,676,425	40
4521	Engineering service revenue	3,711,639	49	2,514,231	60
4800	Other operating revenue	<u>14,510</u>	-	<u>8,000</u>	-
		<u>7,656,236</u>	<u>100</u>	<u>4,198,656</u>	<u>100</u>
5000	Operating costs (notes 6(v) and 7)	<u>6,639,308</u>	<u>87</u>	<u>3,681,528</u>	<u>88</u>
	Gross profit from operations	<u>1,016,928</u>	<u>13</u>	<u>517,128</u>	<u>12</u>
Operating expenses:					
6100	Selling expenses (notes 6(j) 、(v) and 7)	347,003	5	357,317	8
6200	Administrative expenses (note 6(v))	<u>265,471</u>	<u>3</u>	<u>237,140</u>	<u>6</u>
		<u>612,474</u>	<u>8</u>	<u>594,457</u>	<u>14</u>
	Operating income (loss)	<u>404,454</u>	<u>5</u>	<u>(77,329)</u>	<u>(2)</u>
Non-operating income and expenses (note 6(w) and 7):					
7100	Interest income	11,278	-	14,506	-
7010	Other income	31,774	-	63,575	2
7020	Other gains and losses, net	(91,353)	(1)	910,287	22
7050	Finance costs	<u>(146,123)</u>	<u>(2)</u>	<u>(169,295)</u>	<u>(4)</u>
	Profit from continuing operations before tax	210,030	2	741,744	18
7950	Less: Income tax expenses (note 6(r))	<u>92,782</u>	<u>1</u>	<u>85,824</u>	<u>2</u>
	Profit	<u>117,248</u>	<u>1</u>	<u>655,920</u>	<u>16</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	<u>49,668</u>	<u>1</u>	<u>15,535</u>	-
8300	Other comprehensive income (net after tax)	<u>49,668</u>	<u>1</u>	<u>15,535</u>	-
8500	Total comprehensive income	<u>\$ 166,916</u>	<u>2</u>	<u>671,455</u>	<u>16</u>
Earnings per share (note 6(t))					
	Basic earnings per share (NT dollars)	<u>\$ 0.32</u>		<u>1.77</u>	
	Diluted earnings per share (NT dollars)	<u>\$ 0.32</u>		<u>1.77</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Total other equity interest Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
	Share capital		Retained earnings				
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings		
Balance on January 1, 2019	\$ 3,083,305	1,272,626	605,303	2,263,523	2,868,826	85,519	7,310,276
Effects of retrospective application	-	-	-	(159)	(159)	-	(159)
Balance on January 1, 2019 after adjustments	<u>3,083,305</u>	<u>1,272,626</u>	<u>605,303</u>	<u>2,263,364</u>	<u>2,868,667</u>	<u>85,519</u>	<u>7,310,117</u>
Profit	-	-	-	655,920	655,920	-	655,920
Other comprehensive income	-	-	-	-	-	15,535	15,535
Total comprehensive income	-	-	-	655,920	655,920	15,535	671,455
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	218,646	(218,646)	-	-	-
Cash dividends of ordinary share	-	-	-	(1,973,315)	(1,973,315)	-	(1,973,315)
Cash dividends from capital surplus	-	(493,329)	-	-	-	-	(493,329)
Balance on December 31, 2019	<u>3,083,305</u>	<u>779,297</u>	<u>823,949</u>	<u>727,323</u>	<u>1,551,272</u>	<u>101,054</u>	<u>5,514,928</u>
Profit	-	-	-	117,248	117,248	-	117,248
Other comprehensive income	-	-	-	-	-	49,668	49,668
Total comprehensive income	-	-	-	117,248	117,248	49,668	166,916
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	65,576	(65,576)	-	-	-
Cash dividends of ordinary share	-	-	-	(308,330)	(308,330)	-	(308,330)
Stock dividends of ordinary share	308,331	-	-	(308,331)	(308,331)	-	-
Cash dividends from capital surplus	-	(308,331)	-	-	-	-	(308,331)
Stock dividends from capital surplus	308,330	(308,330)	-	-	-	-	-
Due to donated assets received	-	73	-	-	-	-	73
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	254	254	(254)	-
Other changes in capital surplus	-	5,680	-	-	-	-	5,680
Balance on December 31, 2020	<u>\$ 3,699,966</u>	<u>168,389</u>	<u>889,525</u>	<u>162,588</u>	<u>1,052,113</u>	<u>150,468</u>	<u>5,070,936</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 210,030	741,744
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	19,475	27,608
Amortization expense	3,045	1,919
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	62	(9,633)
Interest expense	146,123	169,295
Interest income	(11,278)	(14,506)
Dividend income	(23,900)	(56,204)
Gain on disposal of property, plant and equipment	(1,944)	(735)
Gain on disposal of non-current assets held for sale	-	(886,639)
Impairment loss on disposal of non-current assets held for sale	165,479	-
Gain on lease modifications	(142)	(254)
Total adjustments to reconcile profit (loss)	296,920	(769,149)
Changes in operating assets and liabilities:		
Decrease in financial assets or liabilities at fair value through profit or loss	146,207	-
Decrease (increase) in contract assets	(58,341)	48,202
Decrease (increase) in notes receivable	(30,872)	53,335
Decrease (increase) in accounts receivable	163,821	(209,456)
Decrease (increase) in accounts receivable due from related parties	210,181	(237,886)
Decrease (increase) in other receivables	(198)	1,445
Increase in other receivables due from related parties	(45,420)	(2,037)
Decrease in inventories	487	-
Increase in inventories (construction)	(5,659,393)	(5,935,044)
Increase in prepayments	(135,860)	(139,507)
Decrease (increase) in other current assets	50,735	(80,526)
Increase in other financial assets— current	(1,315,124)	(913,587)
Increase in assets recognized as incremental costs to obtain contract with customers	(193,415)	(157,081)
Decrease (increase) in other financial assets—non-current	(822)	1,067
Increase in contract liabilities	1,288,602	1,281,968
Increase in notes payable	71	-
Increase in accounts payable	330,937	286,022
Increase in accounts payable to related parties	210,490	212,423
Increase in other payables	45,515	87,553
Increase (decrease) in provisions	12,697	(4,615)
Increase in other current liabilities	226,290	65,400
Total adjustments	(4,456,492)	(6,411,473)
Cash outflow generated from operations	(4,246,462)	(5,669,729)
Income taxes paid	(22,490)	(400,590)
Net cash flows used in operating activities	(4,268,952)	(6,070,319)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
RUN LONG CONSTRUCTION CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(10,523)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	10,777	-
Proceeds from disposal of non-current assets held for sale	302,664	1,286,739
Acquisition of property, plant and equipment	(10,145)	(50,868)
Proceeds from disposal of property, plant and equipment	4,290	2,107
Acquisition of intangible assets	(2,369)	(3,227)
Increase in prepayments for business facilities	(58,424)	-
Interest received	8,944	10,833
Dividends received	23,900	56,204
Net cash flows from investing activities	269,114	1,301,788
Cash flows from (used in) financing activities:		
Increase in short-term loans	8,200,610	7,530,900
Decrease in short-term loans	(4,712,910)	(4,957,664)
Increase in short-term notes and bills payable	10,638,000	3,348,400
Decrease in short-term notes and bills payable	(8,440,000)	(2,786,400)
Proceeds from issuing bonds	-	5,900,000
Repayments of bonds	-	(2,000,000)
Proceeds from long-term debt	-	365,800
Repayments of long-term debt	(58,762)	(452,265)
Payment of lease liabilities	(444)	(7,319)
Other financial liabilities—current	-	508,559
Other financial liabilities—non-current	(566,164)	(1,609,023)
Cash dividends paid	(616,661)	(2,466,644)
Interest paid	(431,968)	(327,037)
Net cash flows from financing activities	4,011,701	3,047,307
Net increase (decrease) in cash and cash equivalents	11,863	(1,721,224)
Cash and cash equivalents at beginning of period	2,097,780	3,819,004
Cash and cash equivalents at end of period	\$ 2,109,643	2,097,780

See accompanying notes to consolidated financial statements.



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors of Run Long Construction Co., Ltd.:

Opinion

We have audited the financial statements of Run Long Construction Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2020 of the group. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition on sales of properties and land

Please refer to note 4(n), and 6(u) of the financial statements for the accounting policy on revenue recognition and the details of revenue.



Description of key audit matter

The real estate industry, in which the Company is into, has a higher tendency of revenue fluctuation, therefore the management has set up relevant internal control procedures. The Company's sales revenue was \$3,930,087 thousand in 2020, whether revenue is presented fairly has a significant impact on financial statement. Therefore, the recognition of sales revenue is one of the most important evaluation in performing our audit procedures.

Auditing procedures performed

Our principal audit procedures included the following: We test the effectiveness of the design and implementing the internal control system of sales revenue; Inspect of sales contracts, bank account transaction record and real estate ownership transfer document, etc.; Test the samples of sales transaction before and after the end of the year to ensure the correctness of sales revenue.

2. The share of profit of subsidiaries accounted for using equity method

Please refer to note 4(h), and 6(g) of the financial statements for the accounting policies on investments in subsidiaries and the details of investments in subsidiaries accounted for using equity method.

Description of key audit matter

The Jin Jyun Construction Co., Ltd., a subsidiary of Run Long Construction Co., Ltd.'s, is into industry of civil engineering and building construction contractors. Revenue and cost of construction contracts are recognized and evaluated according to IFRS15. Management judgment and estimation may be involved in determining total revenue, total estimated cost, and the extent of completion. Those including contract addition and reduction, the alternation of design, the inflation or deflation in cost, or other sub-cost, and the degree of completion based on contract activities on the end date of financial report, etc. High degree of uncertainty of accounting estimates are involved in all activities. Therefore, income recognition of the subsidiaries is one of the most critical assessments of financial reporting audit matters we perform.

Auditing procedures performed

Our principal audit procedures included the following: We test the effectiveness of internal controls system of engineering revenue, receivable collection, contracting out and purchasing, payments and budgeting of Jin Jyun Construction Co., Ltd., those mentioned above are relevant to financial report; compare and evaluate whether there is significant exception of change in total revenue, total estimated cost and the extent of completion; We obtain the revenue and cost the business estimated, review the completion and rationality in total contract price, budget, and accumulated involvement, to assess whether there is significant exception in contract revenue and cost that the business recognized.

3. Inventory valuation

Please refer to note 4(f), 5, and 6(e) of the financial statements for the accounting policies on measuring inventory, assumption used, and uncertainties considered in determining the net realizable value and the details of inventory.

Description of key audit matter

As of December 31, 2020, inventory of the Company valued \$24,570,742 thousand, constituting 69% of the total assets, which was presented with lower of cost or net realizable value method. The judgment of net realizable value of inventory relies on management since the Company focuses on real estate industry, which is not only deeply affected by politics, macroeconomics, prosperity, and revolution of housing and land taxation, but also an industry involving a large portion of capital infusion and long-term payback. Thus, the valuation of inventory is one of the most important evaluation in performing our audit procedures.



Auditing procedures performed

Our principal audit procedures included the following: We understand the Company's operating and accounting procedures for inventory valuation; Obtain the Company management's data of inventory valuation; verify and inspect market value of the afore mentioned information. The net realizable value can be assessed in the following ways: through reviewing the recent selling price of the premises, by inquiring the selling price of premises nearby from the "Actual Selling Price of Real Estate" website, or by obtaining project investment analysis tables, inspecting and recalculating the net realizable value of inventory to ensure if it is adequate.

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

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yilien Han and Ti-Nuan Chien.

KPMG

Taipei, Taiwan (Republic of China)

March 19, 2021

Notes to Readers

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

The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)
RUN LONG CONSTRUCTION CO., LTD.

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	<u>December 31, 2020</u>		<u>December 31, 2019</u>			<u>December 31, 2020</u>		<u>December 31, 2019</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 1,286,398	4	1,312,881	5	2100 Short-term borrowings (note 6(l))	\$ 11,936,172	34	8,450,133	30
1110 Current financial assets at fair value through profit or loss (notes 6(b) and 8)	-	-	146,269	1	2110 Short-term notes and bills payable (note 6(l))	2,758,113	8	561,300	2
1120 Current financial assets at fair value through other comprehensive income (notes 6(c) and 8)	602,698	2	553,285	2	2130 Current contract liabilities (notes 6 (w) and 9)	3,314,710	9	1,593,744	6
1150 Notes receivable, net (note 6(d) and 8)	160,692	-	129,820	-	2170 Accounts payable	440,218	1	349,180	1
1170 Accounts receivable, net (note 6(d))	35,096	-	-	-	2180 Total accounts payable to related parties (note 7)	846,934	2	486,436	2
1200 Other receivables	1,584	-	930	-	2200 Other payables (note 7)	309,284	1	266,548	1
1210 Other receivables due from related parties (note 7)	47,457	-	2,037	-	2230 Current tax liabilities	68,785	-	9,114	-
1220 Current tax assets	4,869	-	-	-	2251 Current provisions for employee benefits (note 6(q))	2,321	-	2,443	-
1310 Inventories, manufacturing business (note 6(e))	10,598	-	11,085	-	2280 Current lease liabilities (notes 6(o))	8,827	-	3,400	-
1320 Inventories (for construction business) (note 6(e), 7 and 8)	24,570,742	69	18,832,995	67	2321 Bonds payable, current portion or putable bonds (note 6(n))	1,481,281	4	-	-
1410 Prepayments (note 7)	192,136	-	102,397	-	2322 Long-term borrowings, current portion (note (m))	1,018,091	3	57,947	-
1460 Non-current assets held for sale, net (note 6(f))	1,187,386	3	-	-	2399 Other current liabilities, others	<u>305,459</u>	<u>1</u>	<u>76,538</u>	<u>-</u>
1476 Other current financial assets (notes 6(k), 7 and 8)	2,786,119	8	1,472,635	5		<u>22,490,195</u>	<u>63</u>	<u>11,856,783</u>	<u>42</u>
1479 Other current assets, others	2,784	-	62,457	-	Non-Current liabilities:				
1480 Current assets recognized as incremental costs to obtain contract with customers (notes 6(k))	<u>410,475</u>	<u>1</u>	<u>217,060</u>	<u>1</u>	2530 Bonds payable (note 6(n))	7,851,491	22	9,336,292	33
	<u>31,299,034</u>	<u>87</u>	<u>22,843,851</u>	<u>81</u>	2541 Long-term bank loans (note 6(m))	344,482	1	1,363,388	5
Non-current assets:					2570 Deferred tax liabilities (note 6(r))	2,844	-	2,844	-
1550 Investments accounted for using equity method (notes 6(g) and 8)	619,822	2	595,755	2	2580 Non-current lease liabilities (note 6(o))	<u>814</u>	<u>-</u>	<u>770</u>	<u>-</u>
1600 Property, plant and equipment (note 6(h) and 8)	240,696	1	1,599,259	6		<u>8,199,631</u>	<u>23</u>	<u>10,703,294</u>	<u>38</u>
1755 Right-of-use assets (note 6(i))	12,173	-	6,702	-	Total liabilities	<u>30,689,826</u>	<u>86</u>	<u>22,560,077</u>	<u>80</u>
1760 Investment property, net (note 6(j) and 8)	681,434	2	687,661	3	Equity attributable to owners of parent (note 6(s)):				
1780 Intangible assets	2,129	-	2,878	-	3100 Ordinary shares	3,699,966	11	3,083,305	11
1984 Other non-current financial assets, others (notes 6(k), 7 and 8)	<u>2,905,474</u>	<u>8</u>	<u>2,338,899</u>	<u>8</u>	3200 Capital surplus	168,389	-	779,297	3
	4,461,728	13	5,231,154	19	3300 Retained earnings	1,052,113	3	1,551,272	6
					3400 Other equity interest	<u>150,468</u>	<u>-</u>	<u>101,054</u>	<u>-</u>
					Total equity	<u>5,070,936</u>	<u>14</u>	<u>5,514,928</u>	<u>20</u>
Total assets	<u>\$ 35,760,762</u>	<u>100</u>	<u>28,075,005</u>	<u>100</u>	Total liabilities and equity	<u>\$ 35,760,762</u>	<u>100</u>	<u>28,075,005</u>	<u>100</u>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
RUN LONG CONSTRUCTION CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		2020		2019	
		Amount	%	Amount	%
Operating Revenues (note 6(p), (u)):					
4511	Construction revenue	\$ 3,930,087	100	1,676,425	100
4800	Other operating revenue	14,510	-	8,000	-
		<u>3,944,597</u>	<u>100</u>	<u>1,684,425</u>	<u>100</u>
5000	Operating costs (note 6(v) and 7)	<u>3,108,623</u>	<u>79</u>	<u>1,299,931</u>	<u>77</u>
	Gross profit from operations	<u>835,974</u>	<u>21</u>	<u>384,494</u>	<u>23</u>
Operating expenses:					
6100	Selling expenses (note 6(k) 、(v) and 7)	347,003	9	357,317	21
6200	Administrative expenses (note 6(v))	180,136	4	166,924	10
		<u>527,139</u>	<u>13</u>	<u>524,241</u>	<u>31</u>
	Operating income (loss)	<u>308,835</u>	<u>8</u>	<u>(139,747)</u>	<u>(8)</u>
Non-operating income and expenses: (note 6(w) and 7)					
7100	Interest income	10,849	-	13,914	1
7010	Other income	31,615	1	63,575	4
7020	Other gains and losses, net	(104,232)	(3)	902,804	53
7050	Finance costs	(145,783)	(4)	(168,585)	(10)
7070	Share of profit of associates and joint ventures accounted for using equity method, net	73,387	2	51,625	3
		<u>(134,164)</u>	<u>(4)</u>	<u>863,333</u>	<u>51</u>
	Profit from continuing operations before tax	174,671	4	723,586	43
7950	Less: Income tax expenses (note 6(r))	<u>57,423</u>	<u>1</u>	<u>67,666</u>	<u>4</u>
	Profit	<u>117,248</u>	<u>3</u>	<u>655,920</u>	<u>39</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	49,668	1	15,535	1
8300	Other comprehensive income (net after tax)	<u>49,668</u>	<u>1</u>	<u>15,535</u>	<u>1</u>
8500	Total comprehensive income	<u>\$ 166,916</u>	<u>4</u>	<u>671,455</u>	<u>40</u>
Earnings per share (note 6(u))					
9750	Basic earnings per share (NT dollars)	<u>\$ 0.32</u>		<u>1.77</u>	
	Diluted earnings per share (NT dollars)	<u>\$ 0.32</u>		<u>1.77</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
RUN LONG CONSTRUCTION CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings			Total other equity interest	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
Balance on January 1, 2019	\$ 3,083,305	1,272,626	605,303	2,263,523	2,868,826	85,519	7,310,276
Effects of retrospective application	-	-	-	(159)	(159)	-	(159)
Equity on January 1, 2019	<u>3,083,305</u>	<u>1,272,626</u>	<u>605,303</u>	<u>2,263,364</u>	<u>2,868,667</u>	<u>85,519</u>	<u>7,310,117</u>
Profit	-	-	-	655,920	655,920	-	655,920
Other comprehensive income	-	-	-	-	-	15,535	15,535
Total comprehensive income	-	-	-	655,920	655,920	15,535	671,455
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	218,646	(218,646)	-	-	-
Cash dividends of ordinary share	-	-	-	(1,973,315)	(1,973,315)	-	(1,973,315)
Cash dividends from capital surplus	-	(493,329)	-	-	-	-	(493,329)
Balance at December 31, 2019	<u>3,083,305</u>	<u>779,297</u>	<u>823,949</u>	<u>727,323</u>	<u>1,551,272</u>	<u>101,054</u>	<u>5,514,928</u>
Profit	-	-	-	117,248	117,248	-	117,248
Other comprehensive income	-	-	-	-	-	49,668	49,668
Total comprehensive income	-	-	-	117,248	117,248	49,668	166,916
Legal reserve appropriated	-	-	65,576	(65,576)	-	-	-
Cash dividends of ordinary share	-	-	-	(308,330)	(308,330)	-	(308,330)
Stock dividends of ordinary share	308,331	-	-	(308,331)	(308,331)	-	-
Cash dividends from capital surplus	-	(308,331)	-	-	-	-	(308,331)
Stock dividends from capital surplus	308,330	(308,330)	-	-	-	-	-
Due to donated assets received	-	73	-	-	-	-	73
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	254	254	(254)	-
Other changes in capital surplus	-	5,680	-	-	-	-	5,680
Balance at December 31, 2020	<u>\$ 3,699,966</u>	<u>168,389</u>	<u>889,525</u>	<u>162,588</u>	<u>1,052,113</u>	<u>150,468</u>	<u>5,070,936</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
RUN LONG CONSTRUCTION CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	<u>2020</u>	<u>2019</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 174,671	723,586
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	18,361	27,080
Amortization expense	1,862	1,483
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	62	(9,633)
Interest expense	145,783	168,585
Interest income	(10,849)	(13,914)
Dividend income	(23,900)	(56,204)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(73,387)	(51,625)
Gain on disposal of property, plant and equipment	(1,944)	(735)
Gain on disposal of non-current assets held for sale	-	(886,639)
Impairment loss on disposal of non-current assets held for sale	165,479	-
Gain on lease modifications	(142)	(254)
Total adjustments to reconcile profit (loss)	<u>221,325</u>	<u>(821,856)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in financial assets or liabilities at fair value through profit or loss	146,207	-
Decrease (increase) in notes receivable	(30,872)	53,335
Decrease (increase) in accounts receivable	(35,096)	198
Decrease (increase) in other receivables	(656)	1,904
Increase in other receivables due from related parties	(45,420)	(2,037)
Decrease in inventories	487	-
Increase in inventories (construction)	(5,451,634)	(5,908,348)
Increase in prepayments	(94,920)	(131,035)
Decrease (increase) in other current assets	59,673	(56,519)
Increase in other financial assets—current	(1,311,143)	(905,575)
Increase in assets recognized as incremental costs to obtain contract with customers	(193,415)	(157,081)
Decrease (increase) in other financial assets—non-current	(411)	1,067
Total changes in operating assets	<u>(6,957,200)</u>	<u>(7,104,091)</u>
Changes in operating liabilities:		
Increase in contract liabilities	1,418,302	1,210,103
Increase (decrease) in accounts payable	91,038	(80,246)
Increase in accounts payable to related parties	360,498	316,760
Increase in other payables	41,298	71,773
Decrease in provisions	(122)	(204)
Increase in other current liabilities	228,921	58,938
Total changes in operating liabilities	<u>2,139,935</u>	<u>1,577,124</u>
Total changes in operating assets and liabilities	<u>(4,817,265)</u>	<u>(5,526,967)</u>
Total adjustments	<u>(4,595,940)</u>	<u>(6,348,823)</u>
Cash outflow generated from operations	(4,421,269)	(5,625,237)
Income taxes paid	(2,620)	(384,696)
Net cash flows used in operating activities	<u>(4,423,889)</u>	<u>(6,009,933)</u>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
RUN LONG CONSTRUCTION CO., LTD.

Statements of Cash Flows (CONT'D)

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(10,523)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	10,777	-
Proceeds from disposal of non-current assets held for sale	302,664	1,286,739
Acquisition of property, plant and equipment	(8,140)	(48,462)
Proceeds from disposal of property, plant and equipment	4,290	2,107
Acquisition of intangible assets	(1,113)	(2,111)
Interest received	8,510	10,237
Dividends received	78,900	56,204
Net cash flows from investing activities	385,365	1,304,714
Cash flows from (used in) financing activities:		
Increase in short-term loans	8,000,610	7,230,900
Decrease in short-term loans	(4,512,910)	(4,657,664)
Increase in short-term notes and bills payable	10,588,000	3,148,400
Decrease in short-term notes and bills payable	(8,390,000)	(2,586,400)
Proceeds from issuing bonds	-	5,900,000
Repayments of bonds	-	(2,000,000)
Proceeds from long-term debt	-	365,800
Repayments of long-term debt	(58,762)	(452,265)
Other financial liabilities – current	-	508,559
Other financial liabilities – non – current	(566,164)	(1,609,023)
Payment of lease liabilities	(444)	(7,319)
Cash dividends paid	(616,661)	(2,466,644)
Interest paid	(431,628)	(326,327)
Net cash flows from financing activities	4,012,041	3,048,017
Net decrease in cash and cash equivalents	(26,483)	(1,657,202)
Cash and cash equivalents at beginning of period	1,312,881	2,970,083
Cash and cash equivalents at end of period	\$ 1,286,398	1,312,881

See accompanying notes to parent company only financial statements.

Attachment IV

RUN LONG CONSTRUCTION CO., LTD.

Comparison table of amendments to the “Rules of Procedure for Shareholder Meetings”

Provision after amendment	Current provision	Reason for amendment
<p>Article 3</p> <p>Paragraphs 1, 2 and 3 have not been amended</p> <p>The essential content of the appointment or dismissal of directors, amendments to articles, reduction of capital, application for the approval of ceasing its status as a public company, approval of lifting of the non-competition restrictions on directors, capital increase by retained earnings, capital increase by capital reserve, dissolution, merger or division of corporation, or matters listed in the Company Act, Article 185, Paragraph 1, <u>matters listed in the Securities Exchange Act, Article 26-1 and Article 43-6, and matters listed in the Regulations Governing the Offering and Issuance of Securities by Securities Issuer, Article 56-1 and Article 60-2</u> shall be explained in the shareholders’ meeting notice and shall not be proposed as extemporary motions.</p> <p>If re-election of the Board and the date of appointment thereof are both stated clearly on the reasons for convening a shareholders’ meeting, then the date of appointment shall not be changed by extemporary motion or other means during the same meeting after the re-election of the Board is completed.</p> <p>A shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders’ meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. Where a shareholder proposes a resolution under any of the circumstances specified in Paragraph 4 of Article 172-1 of the Company Act, the Board of Directors shall not include it as a resolution. <u>If the shareholder’s proposal concerns recommendation advocating for the Company to promote public interest or fulfill social responsibilities, in accordance with the Company Act, Article 172-1, such proposals are allowed but limited to one item only, and no proposal containing more than one item will be included in the meeting agenda.</u></p> <p>(below has not been amended)</p>	<p>Article 3</p> <p>Paragraphs 1, 2 and 3 have not been amended</p> <p>The essential content of the appointment or dismissal of directors, amendments to articles, reduction of capital, application for the approval of ceasing its status as a public company, approval of lifting of the non-competition restrictions on directors, capital increase by retained earnings, capital increase by capital reserve, dissolution, merger or division of corporation, or matters listed in the Company Act, Article 185, Paragraph 1 shall be explained in the shareholders’ meeting notice and shall not be proposed as extemporary motions; <u>the essential contents shall be posted on the website designated by the competent authority of securities affairs or the Company, and such website shall be indicated in the above notice.</u></p> <p>If re-election of the Board and the date of appointment thereof are both stated clearly on the reasons for convening a shareholders’ meeting, then the date of appointment shall not be changed by extemporary motion or other means during the same meeting after the re-election of the Board is completed.</p> <p>A shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders’ meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. <u>If, however, the shareholder’s proposal concerns recommendation advocating for the Company to promote public interest or fulfill social responsibilities, the Board of Directors shall include such proposal in the agenda.</u> Where a shareholder proposes a resolution under any of the circumstances specified in Paragraph 4 of Article 172-1 of the Company Act, the Board of Directors shall not include it as a resolution.</p> <p>(below has not been amended)</p>	<p>Amendments are made in accordance with Article 3 of the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings”</p>
<p>Article 9</p> <p>Attendance at a shareholders’ meeting shall be calculated on the basis of shares. The number of shares present shall be calculated on the basis of the signature book or the signed-in card submitted, plus the number of shares in which voting rights are exercised in writing or electronically.</p> <p>The chairperson shall call the meeting to order at the appointed meeting time <u>and announce the</u></p>	<p>Article 9</p> <p>Attendance at a shareholders’ meeting shall be calculated on the basis of shares. The number of shares present shall be calculated on the basis of the signature book or the signed-in card submitted, plus the number of shares in which voting rights are exercised in writing or electronically.</p> <p>The chairperson shall call the meeting to order at the appointed meeting time.</p>	<p>Amendments are made in accordance with Article 9 of the “Sample Template for XXX Co., Ltd. Rules of Procedure for</p>

Provision after amendment	Current provision	Reason for amendment
<p><u>number of shares without voting rights, the number of shares present and other relevant information.</u></p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. The chairperson shall announce the adjournment of the meeting if the shareholders representing one-third or more of the total number of issued shares are not present twice after the adjournment. (below has not been amended)</p>	<p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. The chairperson shall announce the adjournment of the meeting if the shareholders representing one-third or more of the total number of issued shares are not present twice after the adjournment. (below has not been amended)</p>	<p>Shareholders Meetings”</p>

Attachment V

RUN LONG CONSTRUCTION CO., LTD.

Comparison table of amendments to the “Regulations for Election of Directors”

Provision after amendment	Current provision	Reason for amendment
<p>Article 6</p> <p>Voters shall indicate the <u>name or</u> account name at the “Candidate” column on the ballot. However, when the candidate is a governmental organization or corporate shareholder, the name of the governmental organization or corporate shareholder shall be indicated at the column for the candidate’s account name in the ballot paper, or both the name of the governmental organization or corporate shareholder and the name of its representative may be indicated. When there are multiple representatives, the names of each respective representative shall be indicated.</p>	<p>Article 6</p> <p><u>If the candidate is a shareholder</u>, Voters shall indicate the account name <u>and account number</u> at the “Candidate” column on the ballot. <u>If the candidate is not a shareholder, mark down the name and the identification document number of the candidate</u>. However, when the candidate is a governmental organization or corporate shareholder, the name of the governmental organization or corporate shareholder shall be indicated at the column for the candidate’s account name in the ballot paper, or both the name of the governmental organization or corporate shareholder and the name of its representative may be indicated. When there are multiple representatives, the names of each respective representative shall be indicated.</p>	<p>Amendments are made in accordance with Article 11 of the “Sample Template for XXX Co., Ltd. Procedures for Election of Directors”</p>
<p>Article 7</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot is not <u>prepared by the convener</u>. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The particulars of the candidate indicated on the ballot <u>do not correspond to the Director candidate list</u>. <p>5. Other words or marks are written in addition to the candidate’s <u>name or</u> account name.</p> <p>6. Two or more candidate names are indicated on the ballot.</p>	<p>Article 7</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot is not <u>prepared by the Board of Directors</u>. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The name of the candidate indicated on the ballot is <u>a shareholder, the candidate’s account name and shareholder account number, however, differ from the shareholder register; or the name of the candidate indicated on the ballot is a non-shareholder, and a cross-check shows discrepancies between the details on the ballot and the identification document number of the candidate</u>. 5. Other words or marks are written in addition to the candidate’s account <u>name (name) or account number (identification document number)</u> and the number of allocated voting <u>rights</u>. 6. <u>The name of the candidate indicated on the ballot is identical to that of another shareholder, but no shareholder account number or identification document number is provided on the ballot to identify such individual</u>. 7. Two or more candidate names are indicated on the ballot. 	<p>Amendments are made in accordance with Article 10 of the “Sample Template for XXX Co., Ltd. Procedures for Election of Directors”</p>

Attachment VI

RUN LONG CONSTRUCTION CO., LTD.

List of Candidates of Directors (Including Independent Directors)

Types of Candidates	Name of Candidates	Education	Experience	Current Position	Number of Shares Held (Unit: Share)
Director	Da-Li Investment Co., Ltd Representative: Tsai Chungping	College of Business, National Taichung University of Science and Technology	Assistant Purchasing Manager of ChyiYuh Construction Co., Ltd.	Director and President of Run Long Construction Co., Ltd. Chairman of Da Li Investment Co., Ltd.	14,485,821
Director	Kuang Yang Investment Co., Ltd. Representative: Chiu Pingtse	National Taiwan University Civil Engineering Institute	Director and President of Run Long Construction Co., Ltd.	Vice President of Highwealth Construction Corporation. Chairman of Chin Chun Construction Co., Ltd.	20,792,415
Director	Kuang Yang Investment Co., Ltd. Representative: Chen Kuoyen	National Taipei University of Technology Industrial Design Department	ChyiYuh Construction Co., Ltd. Vice Chairman Highwealth Construction Consultant	ChyiYuh Construction Co., Ltd. Consultant	20,792,415
Director	Kuang Yang Investment Co., Ltd. Representative: Cheng Chiaowen	Pratt Institute Real Estate Development	Highwealth Construction Special Assistant	Highwealth Construction Special Assistant	20,792,415
Independent Director	Li Wencheng	Central Police University (formerly Central Police Academy, Department of Police Science)	President of Taiwan High Court President of Hualien Local Court President of Taitung Local Court President of Penghu Local Court	Independent Director of Highwealth Construction Corporation Independent Director of Roo Hsing Co., Ltd. Independent Director of Run Long Construction Co., Ltd.	0
Independent Director	Yen Yunchi	China University of Technology Department of Public Health	Chairman Tungyue Advertising Co., Ltd.	Chairman Tungyue Advertising Co., Ltd. Independent Director of Run Long Construction Co., Ltd.	0
Independent Director	Chen Yungchang	National Taiwan University Department of Law	Judge of Taoyuan, Shilin and Taipei District Courts Chief Judge of Keelung District Court Judge and Presiding Judge of Taiwan High Court	Attorney of All-Pro Law Firm Representative of corporate director of Flexium Interconnect Inc. Independent Director of LandMark Optoelectronics Corporation Independent Director of Center Ventures Independent Director of Collins Co. Ltd. Consultant of MasterLink Securities Corporation	0

Appendix I

RUN LONG CONSTRUCTION CO., LTD. Articles of Incorporation

Approved by the annual general meeting held on 2020.06.09

Chapter I General Rules

Article 1 The company shall be organized in accordance with the provisions of the Company Act as RUN LONG CONSTRUCTION CO., LTD.

Article 2 The business scope of the Company is as follows:

- I. C901010 Ceramic and Ceramic Products Manufacturing.
- II. F106050 Wholesale of Pottery, Porcelain and Glassware.
- III. F107010 Wholesale of Paints, Varnishes and Lacquers.
- IV. F207010 Retail Sale of Paints, Varnishes and Lacquers.
- V. F107020 Wholesale of Dyes and Pigments.
- VI. F207020 Retail Sale of Dyeing Mills and Dyestuff.
- VII. C802200 Paints, Varnishes, Lacquers, Dyeing Mills and Dyestuff Manufacturing.
- VIII. C901050 Manufacture of Cement and Concrete Products.
- IX. H701010 Housing and building development, lease, sale business.
- X. H701050 Public Works Construction and Investment.
- XI. H701030 Funeral Places Lease Construction and Development.
- XII. H701060 Development industry of new towns and new communities.
- XIII. JZ99050 Agency Services
- XIV. I103060 Management Consulting.
- XV. I301010 Software Design Services.
- XVI. F118010 Wholesale of Computer Software.
- XVII. F119010 Wholesale of Electronic Materials.
- XVIII. JE01010 Rental and Leasing Activities.
- XIX. F401010 International Trade.
- XX. F106010 Wholesale of Ironware.
- XXI. F211010 Retail Sale of Construction Materials in Specialized Stores.
- XXII. F107200 Wholesale of Chemistry Raw Material.
- XXIII. F207200 Retail sale of Chemistry Raw Material.
- XXIV. C805010 Manufacture of Plastic Sheets, Pipes and Tubes.
- XXV. C805050 Industrial Plastic Products Manufacturing.
- XXVI. CB01010 Machinery and Equipment Manufacturing.

- XXVII. CB01030 Manufacture of Pollution Controlling Equipment.
- XXVIII. J101030 Collection of Waste Disposing.
- XXIX. J101040 Waste Treatment.
- XXX. F111090 Wholesale of Building Materials.
- XXXI. CA01070 Scrapped Car and Boat Dismantling and Scrap Iron and Steel Metal Processing.
- XXXII. CA01080 Aluminum Refinery Manufacturing.
- XXXIII. CA02010 Manufacture of Metal Structure and Architectural Components.
- XXXIV. C501040 Manufacture of Veneer Sheets and Wood-Based Panels.
- XXXV. J101060 Wastewater (Sewage) Treatment.
- XXXVI. J101080 Resource Recycling.
- XXXVII. J101090 Waste Disposal.
- XXXVIII. E604010 Machinery Installation.
- XXXIX. F113010 Wholesale of Machinery.
- XL. F213080 Retail Sale of Machinery and Equipment.
- XLI. F113100 Wholesale of Pollution Controlling Equipment.
- XLII. F213100 Retail Sale of Pollution Controlling Equipment.
- XLIII. CA01090 Aluminum Manufacturing.
- XLIV. CA01100 Aluminum Rolling, Drawing and Extruding.
- XLV. CA01110 Smelting and Refining of Copper.
- XLVI. CA01120 Copper Casting.
- XLVII. CA01130 Copper Rolling, Drawing and Extruding.
- XLVIII. CA01990 Other Non-ferrous Metal Basic Industries.
- XLIX. H703090 Real Estate Commerce.
- L. H703100 Real Estate Rental and Leasing.
- LI. H701080 Urban Renewal Reconstruction.
- LII. H701020 Industrial Factory Buildings Lease Construction and Development.
- LIII. H701040 Specific Area Development.
- LIV. F219010 Retail Sale of Electronic Materials.
- LV. F218010 Retail Sale of Computer Software.
- LVI. F601010 Intellectual Property Rights.
- LVII. I301020 Data Processing Services.
- LVIII. I301030 Electronic Information Supply Services.
- LIX. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The Company is headquartered in Taipei City and shall, if necessary, establish branches in appropriate locations at home and abroad by resolution of the Board of Directors in accordance with the law.

Article 3-1 Due to business needs, the Company may engage in external mutual guarantees with affiliated companies or peers, which is subject to the approval of the Board of Directors in accordance with the Company's Regulations Governing Making external Endorsements/Guarantees.

Article 4 When the Company invests in another company and becomes a limited liability shareholder, the total amount of its investments may exceed 40% of the Company's paid-in capital, which is not limited by Article 13 of the Company Act.

Chapter II Shareholdings

Article 6 The capital of the Company is NT\$5 billion, divided into 500 million shares at NT\$10 per share, and the Board of Directors shall be authorized to issue the shares in installments based on actual needs.

Article 7 The Company issues owner-registered shares only, which are affixed with the signatures or personal seals of the director representing the Company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance thereof.
The shares issued by the Company may be exempted from printing but shall be registered with a centralized securities depository.

Article 8 The shareholder shall use his/her own name. If the shareholder is a government agency or legal entity, his/her name shall be recorded, and no separate account name shall be set up or include only the representative. The shareholder shall include his/her real name or title, domicile or residence on the signature card as well as seal affixed to it, which shall be submitted to the Company for inspection, and the same shall apply in the event of any change. When the shareholder receives dividends or exercises other rights in writing, the affixed seal will be based on.

Article 9 The transfer, inheritance, gift, loss, destruction and other stock-related matters concerning the shareholders' shares are handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies."

Article 10 Registration for transfer of shares shall be suspended for sixty days immediately before the day of an annual general meeting, for thirty days immediately before the day of any extraordinary general meeting of shareholders, and for five days before the day on which dividends or any other benefit is scheduled to be paid by the Company. Other stock-related matters are handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies."

Chapter III Shareholders' Meeting

Article 11 The shareholders meeting is divided into a general meeting and an extraordinary general meeting:

1. The general meeting shall be convened once a year within 6 months after the end of the fiscal year by the Board of Directors in accordance

with the law.

2. The extraordinary general meeting shall be held in accordance with the relevant laws when necessary.

Article 12 The shareholders shall be notified of the date and place of the meeting and the reason for the meeting 30 days prior to the convening of the general meeting and 15 days prior to the convening of the extraordinary general meeting. The convening of shareholders' meeting shall be publicly announced.

The notice of the shareholders' meeting may be given in the form of a public announcement for shareholders who own less than 1,000 shares.

Article 13 The Chairman shall chair the shareholders' meeting. Where the Chairman is on leave or unable to perform the duties for any reason, the Chairman shall designate a director to act on his/her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting Chairman of the Board of Directors.

Article 14 Matters concerning a shareholder not being able to attend a shareholders' meeting for any reason shall be handled in accordance with Article 177 of the Company Act and Article 25-1 of the Securities and Exchange Act.

Article 15 The Company's shareholders shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under the Company Act, Article 179, paragraph 2.

Unless otherwise provided by relevant laws and regulations, a resolution of a shareholders' meeting shall be attended by the shareholders, who are present on behalf of a majority of the shareholders of the total number of issued shares.

Shareholders of the Company may also exercise their voting rights electronically. Shareholders exercising their voting rights electronically shall be deemed to be present in person and relevant matters shall be handled in accordance with the relevant laws and regulations.

Article 16 The resolutions of the shareholders' meeting shall be signed or sealed by the chairperson, and the minutes shall be distributed to all shareholders within 20 days after the meeting. The summary and result of the motions in discussion and voting shall be noted in the meeting minutes on record. The meeting minutes on record, the sign-in book for tracking attendance of the Directors and a power of attorney for appointment of proxies shall be kept by the Company as required by Article 183 of the Company Act.

The minutes referred to in the preceding paragraph shall be distributed by way of public announcement.

Chapter IV Directors and Audit Committee

Article 17 The Company shall have 7 to 9 directors, and, by adopting the candidates' nomination system, shareholders shall elect the directors from among the nominees listed in the roster of director candidates. Each director shall hold a term of office for 3 years and shall be eligible for re-election.

If the term of office of Directors expires and no election of a new Board could be held, the tenure for these directors shall be extended until a Board

of Directors is elected and assumed office. If one-third of the seats of directors are left vacant or if all independent directors are dismissed, a shareholders' meeting shall be convened immediately to hold a by-election to fill the original term of office in accordance with the law.

The total number of registered shares held by all directors of the Company shall not be less than a certain percentage of the total number of shares required to be issued by the competent authority.

Article 17-1 The number of directors of the Company shall not be less than two independent directors and less than one-fifth of the total number of directors

The nomination and means of election of directors and independent directors and other compliance matters shall be handled in accordance with the applicable regulations of the competent authorities.

Article 18 When the directors organize a Board of Directors' meeting, it shall be attended by two-third of the total number of directors of a company. With approval by a majority of directors, they shall select from among themselves one person to serve as the chairperson. Internally, the Chairman is the chairperson of the shareholders' meeting and board meeting. Externally, the chairperson represents the Company and executes all affairs relating to the Company by following these Articles and resolutions approved by the shareholders and Board of Directors. Where the Chairman is unable to perform his/her duties for any reason, one of the directors shall be designated to act on behalf of the Chairman; where there is no such designation, the directors shall nominate one among themselves to presiding over the meeting.

In order to respond to major incidents or to meet the needs of the Company's operations, unless otherwise provided by law, the Chairman may adjust the Company's necessary bodies and their organizations, or hire consultants to determine business policies and operations associated with the Company.

Subject to the approval of the Board of Directors, an additional vice Chairman may be created to assist the Chairman.

Article 19 The powers and functions of the board of directors are as follows:

- I. Determination of business policies and supervision of business implementation.
- II. The appointment and dismissal of managerial officers at all levels.
- III. Review and approval of budget and account settlement.
- IV. Planning of earnings distribution or loss recovery and capital increase or decrease.
- V. Approval of investments and loans to other companies and pledge of assets.
- VI. Establishment, adjustment and revocation of the Company's important organizations and review of important Articles of

Incorporation and important contracts.

VII. Approval of the acquisition and disposal of important properties.

VIII. Convening of shareholders' meetings.

IX. Review of proposals and matters determined by the Chairman and proposed by the president.

X. Other powers and functions given by the law or the shareholders' meeting.

Article 20 Unless otherwise provided for in the Company Act, resolutions of the board meeting shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. In case that directors are unable to attend such meetings in person for any reason, they may appoint another director as the proxy to do so by issuing a proxy form, listing the scope of authority for the meeting. However, a director may act as the proxy of only one other director. In case a meeting of the Board of Directors is proceeded via a visual communication network, the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 20-1 A notice of the reason for convening a board meeting shall be given to each director and other persons who should be present seven days in advance. However, in case of emergency, it may be convened at any time.

The notice of convening a board meeting referred to in the preceding paragraph may be done so by writing, fax or email.

Article 21 Resolutions adopted at a board meeting shall be recorded in the minutes of the meeting, which shall be affixed with the chairman of the meeting's signature or seal and shall be distributed to all directors within twenty days after the close of the meeting. The said meeting minutes are handled in accordance with Article 183 of the Company Act.

Article 22 The Board of Directors shall be authorized to determine the remuneration of the Chairman and directors in accordance with the extent of their participation in and the value of their contributions to the operations of the Company and the light of the normal level of the industry.

The board of directors shall determine a fixed remuneration to independent directors in accordance with the principles of the preceding paragraph and shall not participate in the Company's remuneration distribution for the board of directors or other bonuses.

The Company shall purchase liability insurance for the directors.

Article 23 The Company shall establish an Audit Committee, composed of all independent directors, in accordance with Article 14-4 of the Securities Exchange Act. The Audit Committee or members of the Audit Committee shall carry out the functions and powers required to be exercised by supervisors under the Company Act, the Securities Exchange Act and other laws and regulations.

Article 24 Delete.

Chapter V Managerial Officer

- Article 25 The Company may have a president and several managerial officers. The president shall implement the Board of Directors' resolutions as ordered by the Chairman and manage all affairs of the Company.
- Article 26 The appointment, dismissal and remuneration of the Company's managerial officers shall be handled in accordance with Article 29 of the Company Act.

Chapter VI Accounting

- Article 27 The Company's accounting year is January 1 to December 31 each year.
- Article 28 The Company's Board of Directors shall prepare the following reports at the end of each accounting year. These reports shall be submitted to the Audit Committee for review 30 days prior to the annual general meeting. A report shall be issued for recognition at the annual general meeting.
1. the business report;
 2. the financial statements; and
 3. the surplus earning distribution or loss off-setting proposals.
- Article 29 If the Company records a profit in a year, it shall set aside not less than one-thousandth of the profit as remuneration to employees and not more than one-hundredth of the profit as remuneration to directors. The remuneration shall be distributed after the resolution of the Board of Directors and reported to the shareholders' meeting. However, if the Company still has accumulated losses, the compensation amount shall be reserved in advance.
- The employee remuneration may be determined by shares or cash and its receiving parties must include its serving employees in accordance who meet certain criteria established by the board of directors.
- Article 29-1 Where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, except when the legal reserve has reached the amount of the Company's paid-in capital. Depending on the Company's operation and legal requirements, special reserve may be set aside or reversed. The Company's Board of Directors shall use any remaining profit together with any undistributed retained earnings as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders.
- The Company's dividend policy shall take into the Company's financial structure, operating situation and capital budget, as well as the interests of shareholders and balance of dividends. The distributable earnings may be retained or paid in shares or cash. The amount of dividend distribution shall be maintained at between 10% and 100% of the current year's distributable earnings. The dividends paid in cash shall be less than 10% of the total dividends distributed in the year.

If the Company distributes all or part of the dividends and bonuses or statutory surplus reserves and capital reserves by means of cash disbursement, it shall authorize the Board of Directors with over two-thirds of the directors attending the meeting and conduct after approval of a majority of the directors attending the meeting, which shall be reported to the shareholders' meeting.

Article 30 The issuance or transfer objects shall include employees of subsidiaries who match certain conditions for the Company issuing employee subscription certificate, issuing new stocks with restricted employee rights, issuing new stocks to employees, or repurchasing stocks and transferring to employees in accordance with the law. The Board of Directors is authorized to determine the conditions and method of purchase.

Article 31 The organization rules and handling details of the Company shall be separately prescribed by the Board of Directors.

Article 32 Matters not covered by the Articles of Incorporation shall be governed by the Company Act and other applicable laws.

Article 33 The Articles of Incorporation were established on December 27, 1976.

The 1st amendment was made on January 2, 1980.

The 2nd amendment was made on July 3, 1981.

The 3rd amendment was made on November 6, 1981.

The 4th amendment was made on October 20, 1983.

The 5th amendment was made on December 26, 1983.

The 6th amendment was made on January 20, 1984.

The 7th amendment was made on September 1, 1985.

The 8th amendment was made on September 10, 1986.

The 9th amendment was made on November 11, 1989

The 10th amendment was made on October 2, 1990.

The 11th amendment was made on June 20, 1992.

The 12th amendment was made on March 30, 1993.

The 13th amendment was made on April 10, 1995.

The 14th amendment was made on May 18, 1996.

The 15th amendment was made on July 31, 1997.

The 16th amendment was made on June 28, 1999.

The 17th amendment was made on June 30, 2000

The 18th amendment was made on April 30, 2001.

The 19th amendment was made on June 27, 2002.

The 20th amendment was made on April 28, 2003.

The 21st amendment was made on April 5, 2004.

The 22nd amendment was made on October 27, 2004.

The 23rd amendment was made on May 25, 2005.

The 24th amendment was made on June 15, 2006.

The 25th amendment was made on June 13, 2007.

The 26th amendment was made on June 13, 2008.

The 27th amendment was made on June 10, 2009.

The 28th amendment was made on June 18, 2010.

The 29th amendment was made on June 3, 2011.

The 30th amendment was made on June 5, 2012.
The 31st amendment was made on June 11, 2013.
The 32nd amendment was made on June 27, 2014.
The 33rd amendment was made on June 11, 2015.
The 34th amendment was made on June 13, 2016.
The 35th amendment was made on June 15, 2017.
The 36th amendment was made on June 11, 2018.
The 37th amendment was made on June 10, 2019.
The 38th amendment was made on June 9, 2020.

Appendix II

RUN LONG CONSTRUCTION CO., LTD.

Rules of Procedures for Shareholders' Meetings

Approved by the shareholders' meeting held on June 9, 2020.

- Article 1 The Rules are formulated in accordance with applicable regulations of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for the purpose of establishing a good governance system for shareholders' meetings of the Company, improving its supervisory functions and strengthening its management functions.
- Article 2 Unless otherwise provided in laws, regulations or Articles of Incorporation, the rules of procedure for shareholders' meetings of the Company shall be governed by the Rules.
- Article 3 The shareholders' meeting of the Company shall be convened by the Board of Directors unless otherwise provided by laws and regulations. Thirty days prior to the ordinary meeting of shareholders or fifteen days prior to the extraordinary general meeting, the Company shall prepare an electronic file for transmission to the Market Observation Post System containing the notice of the meeting of shareholders, a power of attorney, the reasons for the various resolutions related to the recognition, discussion, appointment or dismissal of directors and the explanatory data. The handbook and supplementary meeting data of the shareholders' meeting shall be compiled and transmitted to the Open Information Observatory by electronic archives twenty-one days prior to the ordinary meeting or fifteen days prior to an extraordinary general meeting. Fifteen days prior to the meeting, the handbook of shareholders' meetings and supplementary information for the meeting shall be prepared and made available to the shareholders at any time and shall be displayed to the Company and the professional stock agents appointed by the Company and shall be distributed at the scene of the shareholders' meeting. The notice and announcement shall state the reasons for convening the meeting; If the notice is approved by the other party, the notice shall be made electronically. The essential content of the appointment or dismissal of directors, amendments to articles, reduction of capital, application for the approval of ceasing its status as a public company, approval of lifting of the non-competition restrictions on directors, capital increase by retained earnings, capital increase by capital reserve, dissolution, merger or division of corporation, or matters listed in the Company Act, Article 185, Paragraph 1 shall be explained in the shareholders' meeting notice and shall not be proposed as extemporary motions; the essential contents shall be posted on the website designated by the competent authority of securities affairs or the Company, and such website shall be indicated in the above notice. If re-election of the Board and the date of appointment thereof are both stated clearly on the reasons for convening a shareholders' meeting, then

the date of appointment shall not be changed by extemporaneous motion or other means during the same meeting after the re-election of the Board is completed.

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. If, however, the shareholder's proposal concerns recommendation advocating for the Company to promote public interest or fulfill social responsibilities, the Board of Directors shall include such proposal in the agenda. Where a shareholder proposes a resolution under any of the circumstances specified in Paragraph 4 of Article 172-1 of the Company Act, the Board of Directors shall not include it as a resolution.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the Company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting. The period for accepting such proposals shall not be less than ten (10) days.

A resolution proposed by a shareholder shall be limited to 300 words and shall not be included in the resolution if it exceeds 300 words; The proposing shareholder shall attend the ordinary meeting of shareholders in person or by proxy and participate in the discussion of the proposal.

The Company shall notify the proposing shareholders of the outcome of the shareholders' meeting prior to the date of the notice of convening the shareholders' meeting and shall list the resolutions in accordance with the provisions of the Article in the notice of the meeting. For shareholders' proposals that are not included in the resolution, the Board of Directors shall state the reasons for the exclusion at the shareholders' meeting.

Article 4 At each shareholders' meeting, a shareholder may issue a power of attorney issued by the Company specifying the scope of authorization and authorizing a proxy to attend the shareholders' meeting.

A shareholder shall issue a power of attorney limited to one person and shall deliver it five days prior to the meeting of shareholders. In the event of duplication of a power of attorney, the first one to be served shall prevail. However, the entrustment before the revocation of the declaration shall not be limited.

If a shareholder wishes to attend a shareholders' meeting in person or to exercise his/her voting rights in writing or electronic form after the proxy has been sent to the Company, he/she shall notify the Company in writing of the revocation of the proxy two days prior to the shareholders' meeting; The voting right exercised by the proxy shall prevail in the event of revocation after the expiration of the prescribed time limit.

Article 5 A shareholders' meeting shall be held at the place where the Company is located or where shareholders are conveniently present, and it is appropriate to convene a shareholders' meeting. The starting time of the

meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m. The meeting shall be held at a place and time where the views of the independent directors shall be fully considered.

Article 6 The Company shall specify in the notice of meeting the time for accepting the shareholders' register, the place of registration and other matters needing attention.

The aforesaid time for accepting shareholders' register shall be at least 30 minutes prior to the commencement of the meeting. The registration desk shall be clearly marked and shall be handled by adequate and competent personnel.

Shareholders themselves or their proxies (hereinafter referred to as shareholders) shall attend the shareholders' meeting by presenting their attendance cards or other certificates of attendance. The Company shall request shareholders to provide any other supporting documents for shareholders' attendance at the meeting. A requester with a power of attorney shall bring along identity documents for verification.

The Company shall set up an autograph book for the attending shareholders to sign in, or the attending shareholders shall submit a sign-in card to sign in.

The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as a proxy, it shall designate only one person to represent it in the meeting.

Article 7 The Chairman of the Board of Directors shall chair the meeting in the case that the Board of Directors convenes the meeting. If the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, the vice Chairman shall act on his behalf. In case there is no vice Chairman, or the vice Chairman is also on leave or absent or unable to exercise his power and authority for any cause, the Chairman of the Board of Directors shall designate one of the managing directors, or where there are no managing directors, one of the directors to act on his behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting Chairman of the Board of Directors.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or the director shall be one who has held that position for 6 months or more and understands the company's financial and business conditions. The same applies if the chair is a representative of a director of a corporation.

For shareholders' meetings convened by the Board of Directors, the Chairman should preside in person, and a majority of the directors of the Board of Directors should attend in person, and at least one representative of each functional committee members shall attend. The attendance shall

be recorded in the minutes of the shareholders' meeting.

If a shareholders' meeting is convened by a convener other than the Board of Directors, the convener holding convening rights shall act as the chairperson of the shareholders' meeting. If there are more than two conveners, they shall elect one convener to act as the chairperson.

The Company may appoint its attorneys, certified public accountants, or related persons to attend the meeting in a non-voting capacity.

Article 8 The Company shall record or videotape the whole process of the shareholders' meeting

and keep it for at least one year. However, any action instituted by a shareholder pursuant to Article 189 of the Company Act shall be preserved until the conclusion of the action.

Article 9 Attendance at a shareholders' meeting shall be calculated on the basis of shares. The number of shares present shall be calculated on the basis of the signature book or the signed-in card submitted, plus the number of shares in which voting rights are exercised in writing or electronically.

At the expiration of the meeting time, the chairperson shall immediately announce the opening of the meeting. If the shareholders representing half of the issued shares are not present, the chairperson shall announce an adjournment of the meeting for a maximum of two times, which shall not exceed a total of one hour. The chairperson shall announce the adjournment of the meeting if the shareholders representing one-third or more of the total number of issued shares are not present twice after the adjournment.

If the number of shareholders is still not sufficient after the above adjournment for twice and shareholders representing more than one-third of the total number of issued shares are present, a false resolution shall be made in accordance with Paragraph 1 of Article 175 of the Company Act, and each shareholder shall be notified of the false resolution to convene a shareholders' meeting within one month.

Before the conclusion of the meeting, the number of shares represented by the shareholders present at the meeting reaches a majority of the total number of issued shares, the chairperson shall, in accordance with Article 174 of the Company Act, make a false resolution and submit it to the shareholders' meeting for voting.

Article 10 If a shareholders' meeting is convened by the Board of Directors, its agenda shall be prescribed by the Board of Directors. Each proposal (including extemporary motion and the amendment to the original agenda) shall be resolved one by one. The meeting shall be held in accordance with the scheduled agenda and shall not be changed without a resolution of the shareholders' meeting.

If a shareholders' meeting is held by conveners' rights to convene the meeting other than those of the Board of Directors, the aforesaid provisions can be used.

The chairperson shall not adjourn the meeting until the adjournment of the proceedings (including extemporary motions) referred to in the preceding

two paragraphs has been decided. If the chairperson announces the adjournment of the meeting in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the shareholders present at the meeting in the procedure prescribed by law and elect a chairperson by a majority vote of the shareholders present at the meeting to continue the meeting.

The chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extemporary motions put forward by the shareholders; when the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, call for a vote and arrange for sufficient time for the voting.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.

If a shareholder attending the meeting only raises a speech note but does not speak, he/she shall be deemed not to have spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

A shareholder may not speak more than twice on the same proposal, except with the chair's consent, and a single speech may not exceed 5 minutes. However, if the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder gives a speech, other shareholders shall not interfere with their speeches except with the consent of the chairperson and the speakers. Violators shall be stopped by the chairperson.

When a legal person shareholder appoints two or more representatives to attend a shareholders' meeting, only one person is allowed to be elected to speak on the same resolution.

After an attending shareholder gives a speech, the chairperson shall reply in person or by designating relevant persons.

Article 12 Voting at shareholders' meetings shall be calculated based on the number of shares.

The number of shares of non-voting shareholders as resolved at a shareholders' meeting shall not be included in the total number of issued shares.

Shareholders shall not participate in voting or exercise their voting rights on behalf of other shareholders when their own interests may cause harm to the interests of the Company in relation to the matters at the meeting.

The number of shares not permitted to exercise their voting rights as referred to in the preceding paragraph shall not be included in the number of voting rights of shareholders present.

Except in the case of a trust enterprise or a stock agency approved by the Competent Authority for Securities Affairs, if more than two shareholders consign one person at the same time, the proxy's voting rights shall not

exceed 3% of the total voting rights of the issued shares. If the proxy's voting rights exceed the total voting rights of the issued shares, the exceeding part shall not be included.

Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under the Company Act, Article 179, paragraph 2.

When convening a shareholders' meeting, the Company shall exercise its voting rights electronically and in writing); When the voting right is exercised in writing or electronically, the method of exercising the voting right shall be specified in the notice of convening the shareholders' meeting. Shareholders exercising their voting rights in writing or electronically shall be deemed to have attended the shareholders' meeting in person. However, amendments to the extemporary motion and the original motion at such shareholders' meeting shall be deemed to have been abstained from voting. Therefore, it is advisable for the Company to refrain from proposing extemporary motions and amendments to the original motion.

Where the voting rights referred to in the preceding paragraph are exercised in writing or electronically, the declaration of intention shall be served on the Company two days before the meeting of shareholders. In case of duplication of intention, the first one shall prevail. However, the restriction shall not apply to a declaration of intention made prior to the revocation of a declaration.

If a shareholder wishes to attend a shareholders' meeting in person after exercising his/her voting rights in writing or electronically, he/she shall revoke his/her declaration of intention to exercise the voting rights referred to in the preceding paragraph in the same manner two days before the meeting. The voting right exercised in writing or electronically shall prevail in the event of late revocation. If the voting right is exercised in writing or electronically and the proxy is entrusted to attend the shareholders' meeting, the voting right exercised by the proxy shall prevail.

Except as otherwise provided in the Company Act and the Articles of Association, the resolution shall be passed by a majority vote of the shareholders present at the meeting. At the time of voting, the chairperson or his/her nominee shall announce the total number of voting rights of the shareholders present on a case-by-case basis, and the shareholders shall vote by poll on a case-by-case basis. On the day after the convening of the shareholders' meeting, the results of the shareholders' approval, opposition and abstention shall be submitted to the MOPS

If there are amendments or substitutions to the same motion, the chairperson shall decide on the order of voting with the original motion. If one of the motions is passed, the other motions shall be deemed to be negative and no further vote shall be required.

The scrutineers and tellers of the votes cast on the motion shall be appointed by the chairperson, but the scrutineers shall be shareholders.

The counting of votes for voting or electing resolutions at shareholders' meetings shall be conducted in a public place within the venue of the shareholders' meeting. After the counting of votes is completed, the voting result shall be announced on the spot, including the weighting of statistics and recording.

Article 14 The election of Directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on the spot immediately, including the names of those elected as Directors and the numbers of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, any action instituted by a shareholder pursuant to Article 189 of the Company Act shall be preserved until the conclusion of the action.

Article 15 The resolutions of the shareholders' meeting shall be signed or sealed by the chairperson, and the minutes shall be distributed to all shareholders within 20 days after the meeting. The minutes shall be produced and distributed electronically.

The minutes referred to in the preceding Paragraph shall be distributed by way of an announcement entered by the Company into the Market Observation Post System.

The meeting minutes shall accurately record the year, month, day, and venue of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the voting outcome). If the election of Directors is held, the minutes shall disclose the votes received by the elected directors. The minutes shall be retained for the duration of the existence of the Company.

Article 16 On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies. It shall make an express disclosure of the same at the place of the shareholders' meeting.

If any matters resolved at the shareholders' meeting are subject to the provisions of laws and regulations and material information as prescribed by the Taiwan Stock Exchange Corporation (Juridical Person-Gretai Securities Market of the Republic of China), the Company shall submit the contents to the Market Observation Post System within the prescribed time limit.

Article 17 Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

The chairperson shall direct the proctors or security personnel to assist in maintaining order at the meeting. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor" or identification cards.

If the meeting venue is equipped with amplification equipment, the

chairperson shall stop others from speaking with the Company's equipment than shareholders.

When a shareholder violates the Rules and Procedures and defies the chairperson's instruction, obstructing the proceedings and refusing to heed calls to stop, the chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. If the meeting venue is no longer available for continued use and not all of the items (including extemporary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with the Company Act, Article 182.

Article 19 Matters not provided in these Rules and Procedures shall be handled in accordance with the relevant provisions of the Company Act, the Company's Articles of Incorporation and other applicable laws and regulations.

Article 20 These Rules and Procedures, and any amendments hereto, shall be implemented from the date the Shareholders' Meeting adopts it.

Appendix III

RUN LONG CONSTRUCTION CO., LTD.
Regulations for Election of Directors

Approved by the shareholders' meeting held on June 11, 2018.

- Article 1 Unless otherwise provided in laws, the election of directors of the Company shall be governed by the Rules.
- Article 2 The election of directors of the Company shall be handled in accordance with the candidates' nomination system stipulated in Article 192-1 of the Company Act.
- Article 3 The election of directors of the Company adopts the cumulative voting method by a single name. Each share will have voting rights in a number equal to the directors to be elected and cast for a single candidate or split among multiple candidates.
The Board of Directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, then distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
The shareholders may exercise their voting power for the election of directors of the Company in writing or by way of electronic transmission; the method of exercise is set forth in the notice of shareholders' meeting.
- Article 4 For the election of the director of the Company, the number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. 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 chair drawing lots on behalf of any person not in attendance.
The number of voting rights is calculated by adding the number of votes cast by shareholders to the number of voting rights exercised by written or electronic means.
- Article 5 Prior to the start of the election, the chairperson shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel. However, the persons performing the duties of vote monitoring personnel shall have shareholder status.
The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 6 If the candidate is a shareholder, Voters shall indicate the account name and account number at the "Candidate" column on the ballot. If the candidate is not a shareholder, mark down the name and the identification document number. However, when the candidate is a governmental

organization or corporate shareholder, the name of the governmental organization or corporate shareholder shall be indicated at the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or corporate shareholder and the name of its representative may be indicated. When there are multiple representatives, the names of each respective representative shall be indicated.

Article 7 A ballot is invalid under any of the following circumstances:

1. The ballot is not prepared by the Board of Directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The name of the candidate indicated on the ballot is a shareholder, the candidate's account name and shareholder account number, however, differ from the shareholder register; or the name of the candidate indicated on the ballot is a non-shareholder, and a cross-check shows discrepancies between the details on the ballot, and the identification document number of the candidate.
5. Other words or marks are written in addition to the candidate's account name (name) or account number (identification document number) and the number of allocated voting rights.
6. The candidate's name indicated on the ballot is identical to that of another shareholder, but no shareholder account number or identification document number is provided on the ballot to identify such individual.
7. Two or more candidate names are indicated on the ballot.

Article 8 The voting rights shall be calculated on-site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair chairman or the emcee on the spot.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, any action instituted by a shareholder pursuant to Article 189 of the Company Act shall be preserved until the conclusion of the action.

Article 9 Matters not provided in these Regulations shall be handled in accordance with the relevant provisions of the Company Act, the Company's Articles of Incorporation and applicable laws and regulations.

Article 10 These Regulations, and amendments hereto, shall be implemented from the date the Shareholders' Meeting adopts it.

Appendix IV

RUN LONG CONSTRUCTION CO., LTD.

Shareholdings of Directors

- I. The Company's paid-in capital was NT\$3,699,966,370 with 369,996,637 of shares issued.
- II. According to Article 26 of the Securities and Exchange Act, the minimum number of shares required to be held by all directors is 14,799,865 shares.
- III. As of the closing date of the shareholders' meeting (April 12, 2021), the number of shares held by the directors is as follows. It has met the criteria for the number of shares required by Article 26 of the Securities and Exchange Act:

Job Title	Name	Number of shares held in the shareholder register on the date of suspension of share transfer	Holding shares ratio
Chairman	Da-Li Investment Co., Ltd Representative: Tsai Chungping	14,485,821	3.91%
Director	Kuang Yang Investment Co., Ltd. Representative: Chiu Pingtse	20,792,415	5.62%
Director	Kuang Yang Investment Co., Ltd. Representative: Chen Kuoyen	20,792,415	5.62%
Director	Kuang Yang Investment Co., Ltd. Representative: Hung Mingyao	20,792,415	5.62%
Independent Director	Yen Yunchi	0	0%
Independent Director	Li Wencheng	0	0%
Total shareholding of all directors		35,278,236	9.53%

Appendix V

RUN LONG CONSTRUCTION CO., LTD.

The Impact of Issuance of Bonus Shares Proposed in this Shareholders' Meeting on the Company's Business Performances and Earnings per Share

Item	Year	2021 (estimation)	
Opening paid-in capital (thousand)		3,699,966	
This year Allotment of shares and dividend Situation	Cash dividends per share (NT\$)	0.2(Note 1)	
	Stock dividend from retained earnings transferred to capital increase (shares)	0.02(Note 2)	
	Stock dividend from capital reserve transferred to capital increase (shares)	0.04(Note 2)	
Changes to operating performances	Operating profit	Not applicable. (Note3)	
	Increasing (decreasing) percentage of operating profit compared with the same period last year		
	Net income after tax		
	Increasing (decreasing) percentage of net income after tax compared with the same period last year		
	Earnings per share		
	Increasing (decreasing) percentage of earnings per share compared with the same period last year		
	Average annual return on investment (inverse of the average annual price-earnings ratio)		
Proforma earnings per share and price-earnings ratio	If all the retained earnings transferred to the capital increase were distributed by the cash dividend	Proforma earnings per share (NT\$)	Not applicable. (Note3)
		Proforma annual average rate on investment	
	If capital reserve transferred to capital increase was not conducted	Proforma earnings per share (NT\$)	
		Proforma annual average rate on investment	
	If capital reserve transferred to capital increase and all the retained earnings transferred to capital increase distributed by cash dividend were not conducted	Proforma earnings per share (NT\$)	
		Proforma annual average rate on investment	

Note 1: The distribution of dividends in cash from earnings for 2020 has been resolved by the Board of Directors on March 19, 2021.

Note 2: Not yet resolved by the 2021 annual general meeting.

Note 3: Not applicable, as the Company has not published its 2021 financial forecast.