

Stock Code:2540

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

2023 Annual Shareholders' Meeting
Meeting Handbook

Time: 9:00 am, June 30, 2023 (physical meeting)

Location: B2, No. 60, Xing'an Street, Zhongshan District, Taipei City

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JSL Construction & Development Co., Ltd.
Meeting procedures for 2023 Shareholders Meeting

- I. Call the Meeting to Order
- II. Chairperson's speech
- III. Report Matters
- IV. Ratification Matters
- V. Discussions
- VI. Election
- VII. Other Motions
- VIII. Extraordinary Motions
- IX. Adjournment

Agenda for the 2023 Annual Shareholders' Meeting of JSL Construction & Development Co., Ltd.

Time: 09:00 am, June 30, 2023 (Friday)

Location: B2, No. 60, Xing'an Street, Zhongshan District, Taipei City

One. Call the Meeting to Order

Two. Chairperson's speech

Three. Report Matters

I. 2022 Business Report

II. Audit committee's review of the 2022 year-end report.

III. Distribution of employee and director remuneration for 2022.

IV. Report on endorsement and guarantee.

V. Report on the issue of domestic secured (unsecured) corporate bonds.

VI. Amendment to provisions of the "Board Meeting Rules of Procedures."

VII. Other report matters.

VIII. Profit and distribution of cash from capital surplus.

Four. Ratification Matters

I. Ratification of the 2022 business report and financial statements.

II. Ratification of 2022 profit distribution.

Five. Discussions

I. Amendment to provisions of the "Articles of Incorporation."

II. Capitalization of profits and capital surplus to issue new shares.

Six. Election

Re-election of directors (independent directors).

Seven. Other Motions

Lift the non-compete clause for new directors (including independent directors) and their representatives.

Eight. Extraordinary Motions

Nine. Adjournment

Three. Report Matters

Motion 1

Summary: Present the 2022 Business Report for review.

Description: For the 2022 Business Report and the 2023 business outlook, please refer to page 11 (Attachment 1) of the meeting handbook.

Motion 2

Summary: Present the 2022 final account and reports audited by the Audit Committee for review.

Description: For the 2022 final account and reports audited by the Audit Committee, please refer to page 14 (Attachment 2) of the meeting handbook.

Motion 3

Summary: Present the report on distribution of remuneration for 2022 to employees and directors for review.

Description: I. According to the provisions of the “Articles of Incorporation,” if the Company is profitable in the fiscal year, no less than 1% of the profit shall be offered as employee remuneration, and no more than 3% of the profit shall be allocated as director remuneration.

II. It is proposed to allocate NT\$11,903,625 (reporting currency) as employee remuneration, for an allocation ratio of about 2%.

III. It is proposed to allocate NT\$2,975,906 as director remuneration, for an allocation ratio of about 0.5%.

IV. The remuneration will be distributed in cash.

Motion 4

Summary: Present the report on endorsement and guarantee for review.

Description: For the status of endorsement and guarantee, please refer to the following table:

Unit: in thousands

Number	Endorser / Guarantor	Party being endorsed/guaranteed		Joint on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/guarantee amount for the period	Outstanding endorsement/guarantee amount for the period	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Percentage of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/guarantees provided	Ceiling on total amount of endorsements/guarantees by parent company to subsidiary	Provision of endorsements/guarantees by parent company	Provision of endorsements/guarantees to the party in China
		Company Name	Relationship										
1	Chuwang Development Co., Ltd.	Jaysanlyn Construction	7	2,001,941	655,294	-	-	-	%	4,003,882	N	N	N
2	Shigang Construction and Development	JSL Construction & Development Co., Ltd.	3	563,287	302,565	302,565	302,565	302,565	1,074.30%	563,287	N	Y	N

Motion 5

Summary: Present the report on the issue of domestic secured (unsecured) corporate bonds for review.

Description: Status on the issue of domestic secured (unsecured) corporate bonds.

- (I) Reported effective starting September 17, 2020 by the Zheng-Gui-Zhai-Zi Document #10900111631 of the Taipei Exchange, which approved the issuance of 2020 first series secured corporate bonds for NT\$300 million.
- (II) Reported effective starting July 23, 2021 by the Zheng-Gui-Zhai-Zi Document #11000077272 of the Taipei Exchange, which approved the issuance of 2021 first series secured corporate bonds for NT\$500 million.
- (III) Reported effective starting November 16, 2021 by the Zheng-Gui-Zhai-Zi Document #11000125241 of the Taipei Exchange, which approved the issuance of 2021 second series secured corporate bonds for NT\$600 million.
- (IV) Reported effective starting December 29, 2021 by the Zheng-Gui-Zhai-Zi Document #11000142841 of the Taipei Exchange, which approved the issuance of 2021 third series secured corporate bonds for NT\$500 million.
- (V) Reported effective starting June 24, 2022 by the Zheng-Gui-Zhai-Zi Document #11100063751 of the Taipei Exchange, which approved the issuance of 2022 first series unsecured corporate bonds for NT\$500 million.
- (VI) For the abovementioned implementation of corporate bonds, please refer to pp. 15-19 of the meeting handbook (Attachment 3).

Motion 6

Summary: Present the amendment to provisions of the “Board Meeting Rules of Procedures” for review.

Description: I. It is proposed to amend provisions of the “Board Meeting Rules of Procedures” to comply with the regulatory amendments.

- II. For the table of comparison of amended provisions of the “Board Meeting Rules of Procedures,” please refer to page 39 (Attachment 4) of the meeting handbook.

Motion 7

Summary: Present other reporting matters for review.

Description: Shareholders holding less than 1% of the total number of issued shares Regarding the 2023 Annual Shareholders’ Meeting of shareholders, those shareholders holding less than 1% of the total number of issued shares does shall not propose motions in writing to the Company during the acceptance period of shareholders' proposals (from April 22, 2023 to May 3, 2023) in accordance with Article 172-1 of the Company Act.

Motion 8

Summary: Present report on profit and distribution of cash from capital surplus for review.

Description: I. In line with the Company's dividend policy, it is proposed to distribute cash dividends of NT\$145,039,500 (reporting currency) from profit, at NT\$0.5 per share.

II. It is proposed to distribute the capital surplus of NT\$290,079,000 from the issuance of shares in excess of par value to shareholders in cash at NT\$1 per share in accordance with Article 241 of the Company Act.

III. The cash dividends distributed to shareholders according to the proportion of their shareholdings recorded in the shareholder register on the record date are calculated to the whole number (with the decimals rounded off). The sum of the fractional cash dividends less than NT\$1 will be transferred to the Employee Welfare Committee.

IV. If the cash distribution proposal needs to be revised due to the Company's repurchase of shares or transfer or cancellation of treasury shares or issuance of new shares for capital increase and the number of shares that can participate in cash distribution is affected, it is proposed to have the board authorize the Chairman to conduct and adjust changes with full authority.

Four. Ratification Matters

Motion 1

Proposed by the board of directors

Summary: Present the 2022 Business Report and financial statements for ratification.

Description: I. The Company's 2022 parent company only and consolidated financial statements have been approved by the resolution of the board of directors, and audited by accountants, Shu-Ying Chang and Hsin-Ting Huang of KPMG, who have prepared an audit report with unqualified opinions and submitted the report together with the business report to the Audit Committee for review, and the audit report has been issued.

- II. For the 2022 business report, independent auditors' report and financial statements, and Audit Committee report, please refer to pp. 11-14 and pp. 20-37 of the meeting handbook (Attachment 1-2 and 4-5).
- III. The documents submitted require ratification.

Resolution:

Motion 2

Proposed by the board of directors

Summary: Present the 2022 profit distribution for ratification.

Description: I. The 2022 beginning distributable profit was NT\$1,437,331,370 (reporting currency), added to the current net profit of NT\$444,615,479 and recognized the legal reserve of NT\$44,461,548, and the ending distributable profit comes to NT\$1,837,485,301, which would be distributed as follows:

- (1) Cash dividends: NT\$145,039,500, at NT\$0.5 per share.
- (2) Stock dividends: NT\$725,197,500, at NT\$2.5 per share.

- II. After the distribution, the Company's undistributed profit totaled NT\$967,248,301. For the 2022 profit distribution table, please refer to page 38 of the meeting handbook (Attachment 6).
- III. The documents submitted require ratification.

Resolution:

Five. Discussions

Motion 1

Proposed by the board of directors

Summary: Present amendments to provisions of the Company's "Articles of Incorporation" for discussion.

Description: I. It is proposed to amend provisions of the "Articles of Incorporation" to meet the Company's current needs. II. For the table of comparison of amended provisions, please refer to page 42 (Attachment 8) of the meeting handbook. III. The documents submitted require deliberation.

Resolution:

Motion 2

Proposed by the board of directors

Summary: Present the proposal of capitalization of profits and capital surplus by issuing new shares for discussion.

Description: I. In order to raise working capital to meet the needs of future development, it is planned to issue new shares for capitalization of profit. The shareholder dividends of NT\$725,197,500 (reporting currency) will be allocated from the 2022 distributable profit, and NT\$72,519,750 new shares will be issued for capital increase. The par value of the shares is NT\$10. The issue of bonus shares for capital increase is calculated based on the number of common shares currently outstanding, and 250 shares will be distributed free of charge for every thousand shares owned by shareholders.

II. It is proposed to issue 29,007,900 new shares with a par value of NT\$10 per share by capitalizing the capital surplus of NT\$290,079,000 from the surplus of ordinary shares issued in excess of the par value in accordance with Article 241 of the Company Act. The capitalization of capital surplus is calculated based on the number of common shares currently outstanding, and 100 shares will be distributed free of charge for every thousand shares owned by shareholders.

III. The actual allotment ratio is calculated based on the shareholders and their shareholding recorded in the shareholder register on the date of record. For fractional shares, shareholders can pool them together within five days after the stop-transfer date through the shareholder services agent commissioned by the Company. Shares that are still less than a full share after pooling or are not pooled together by the deadline are converted into cash to the nearest NTD in accordance with Article 240 of the Company Act, and the Chairman is authorized to assign a specific person to purchase the shares at face value.

IV. The new shares from the capital increase are issued without a physical registration certificate, and have the same rights and obligations as the common stock previously issued. In the event that there are changes in laws, requirements of competent authorities, or changes in the Company's share capital, which affect the number of shares outstanding and result in changes in the share allocation ratio of shareholders that needs to be corrected, it is proposed that the board of directors authorizes the Chairman to administer this matter.

- V. After the issue of new shares for the capital increase is approved by the resolution of the 2023 shareholder meeting and the competent authority, it is proposed that the board authorizes the chairman to set a record date for the stock split and capital increase and other outstanding matters with full authority.
- VI. The proposal submitted requires deliberation.

Resolution:

Six. Election

Motion 1

Proposed by the board of directors

Summary: Propose the re-election of directors (including independent directors).

Description: I. The term of office of the current directors will end on June 23, 2023.

According to Article 195 of the Company Act, their duties are extended until the re-election at the current shareholders' meeting.

II. Seven directors (including three independent directors) will be elected, and the service term will be three years, from June 30, 2023 to June 29, 2026.

III. The election of directors has adopted the candidate nomination approach, in which shareholders make their election choices from the list of candidates. For their education background, experience and other relevant information, please refer to pp. 43-45 of the meeting handbook (Attachment 9).

IV. The proposal submitted requires deliberation.

Election results:

Seven. Other Motions

Motion 1

Summary: Propose the lifting of the non-complete clause of newly elected directors (including independent directors) and their representatives for discussion.

Description: I. In accordance with Article 209 of the Company Act, "A director who performs acts for himself/herself or for others within the scope of the Company's business shall explain the material content of his/her acts to the shareholders' meeting and obtain their approval."

II. In order to meet the Company's needs and to the extent that it does not compromise the interests of the Company, it is proposed to the shareholder meeting this year that the non-compete clause for all directors (including independent directors) and their representatives be lifted in accordance with the provisions of Article 209 of the Company Act.

III. For details on the lifting of non-compete restrictions on newly-elected directors (including independent directors) and their representatives, please refer to pp. 46-47 of the meeting handbook (Attachment 10).

IV. The proposal submitted requires deliberation.

Resolution:

Eight. Extraordinary Motions

Nine. Adjournment

Business Report

Greetings to all of our valued shareholders,

In 2022, crackdown policies on housing market speculation and interest rate hikes have made the general public's attitude toward buying houses more conservative, resulting in a slowdown of the real estate market compared with the previous year. In 2022, the number of buildings changing hands in the six special municipalities totaled 243,910, a decrease of 8.9% from the previous year, showing the first decline in transaction volume in the last six years.

Our 2022 operating revenue amounted to NT\$4,734,010 thousand, mainly from consignment projects of “The Top City,” “New Yokohama Community,” “Forest Dream” and “Park Mansion;” construction project of “Zhongshan Blossom;” and builder projects of “Green Villa,” “The Palace,” “River Palace,” etc. The 2022 operating revenue decreased by 14.26% compared with that in 2021, mainly because the consignment business was affected by the housing market policy and rate hikes. The 2022 net profit was NT\$444,615 thousand, and the earnings per share were NT\$1.67.

I. 2022 business results

(I) Results of the business plan

Unit: In NT\$1,000

Item	2022	2021	Increase (Decrease)	Increase (Decrease) in percentage
Operating revenue	4,734,010	5,521,414	-787,404	-14.26%
Gross profit	1,410,158	2,315,534	-905,376	-39.10%
Operating Income	716,555	1,654,016	-937,461	-56.68%
Net non-operating income and expenses	-113,605	-143,980	30,375	-21.10%
Net income for the year	444,615	1,132,065	-687,450	-60.73%
Earnings per share (after taxes) (NT\$)	1.67	4.25	-2.58	-60.71%

Note: 2021 earnings per share are calculated based on earnings and share capital after allotment of capital surplus in 2022, so as to facilitate comparison with earnings per share in 2022.

(II) Budget execution

Not applicable as the Company and subsidiaries are not required to prepare and disclose 2022 annual financial forecasts according to regulations.

(III) Financial income and expense and profitability analysis

Items to be analyzed		2022	2021
Solvency	Current ratio (%)	132.58	147.67
	Quick ratio (%)	30.04	40.55
Profitability	Return on total assets (%)	2.73	7.03
	Return on equity (%)	7.17	19.64
	Operating Income to paid-in capital ratio (%)	26.93	102.56
	Pre-tax net income to paid-in capital ratio (%)	22.66	93.63
	Profit margin (%)	9.39	20.50

(IV) Status on research and development

- (1) Market research and development: Accurately grasp and regularly discuss and analyze trends of economic development and real estate market information as reference for product positioning and marketing strategies. Discuss urban renewal, commercial real estate and other products to respond to the Company's future continuous growth.
- (2) Architectural planning and design: Hire well-known architects and design teams to plan products with innovative thinking, and plan high-quality buildings in line with the local characteristics of projects to improve area competitiveness and create new lifestyle and market value.
- (3) Construction engineering and management: Develop and introduce the most suitable engineering technology and management methods for products of different types. Strictly control the construction quality and ensure the safety of the construction sites. Rigorously control the construction progress and cost to improve product competitiveness.

II. 2023 business outlook

In recent years, the government has successively introduced control measures for the real estate market, such as tax practices, LTV ratio, real price registration, transfer restrictions, etc. The Central Bank is also raising interest rates to curb inflation. These measures affect the real estate market to an extent. In response to the current real estate market environment, we will continue to offer products at prices acceptable to buyers and effectively control construction costs and schedule. Here is a description of the 2023 business outlook:

(I) Business guidelines

- (1) The consignment business accepts cases that better meet the needs of consumers and have price competitiveness and product highlights, aiming to provide consumers with more diverse and high-quality product choices.
- (2) Development of construction projects align with the trends of urban development. Launch projects that meet market demand, effectively create value, and increase sources of profit.
- (3) Reinforce the construction management function, effectively control the cost, and ensure that projects are on schedule and the quality is not compromised.
- (4) Continue to improve the human resources training program. Cultivate professionals and attract talents in order to enhance the Company's competitive advantages.

(II) Important manufacturing and sales policies

- (1) (Elaborate on our specialty of real estate sales and development, and introduce products with highlights meeting the market demand.

- (2) Based on our professional product planning, we launch high-quality products to establish customers' brand recognition. We also provide comprehensive after-sales services to build a good brand image and reputation and further enhance customer trust in the Company.
- (3) Establish diverse marketing channels and integrate various marketing resources to strengthen sales capabilities.

(III) Future development strategies

- (1) Continue to cultivate our core businesses of real estate consignment sales and development to stabilize our profit.
- (2) Continue to develop real estate-related businesses, aiming to provide all-round services in the real estate industry.

(IV) Impact of the competitive environment, regulatory environment, and macroeconomic environment

- (1) Improve our competitiveness in the market with differentiated and high-quality products.
- (2) Pay attention to the research and changes of laws and regulations to ensure the optimization of the interests of customers and shareholders.
- (3) Pay attention to the macroeconomic environment and market changes and formulate the best sales and financial strategies to improve our competitive advantages and flexibility.

JSL Construction & Development Co., Ltd. will adhere to our business philosophy of practicality and prudence and improve operating performance and competitiveness to maximize profits for shareholders. We are grateful to all shareholders for the support, and we look forward to receiving more feedback and recommendations. Finally, we will give you our best regards for the bright future.

Chairman:



Executive Manager:



Principal Accounting Officer:



Audit Committee Report

We have reviewed the Company's 2022 business report and financial statements (including consolidated financial statements) prepared by the board of directors. The financial statements (including consolidated financial statements) have been audited by CPA Shu-Ying Chang and Hsin-Ting Huang of KPMG entrusted by the Company, and an independent auditor's report has been issued. The abovementioned reports submitted by the board have been reviewed and determined to be correct and accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Sincerely yours,

The 2023 Annual Shareholders' Meeting

JSL Construction & Development Co., Ltd.

Convener of the Audit Committee: Hsiang-Chi Hu



March 14, 2023

Status on the issue of domestic secured (unsecured) corporate bonds

Attachment 3

Types of corporate bonds		2020 first series domestic secured corporate bonds
Date of issue		September 24, 2020
Denomination		NT\$1 million
Place of issue and trading		Not applicable
Issue price		Issued in full at face value
Total amount		NT\$300 million
Interest rate		Coupon rate: Fixed annual interest rate at 0.57%
Deadline		Three years, maturity date: September 24, 2023
Guarantee Agency		Taiwan Cooperative Bank
Trustee		Trust Department of Jih Sun International Bank
Underwriter		Taiwan Cooperative Securities
Certified attorney		Ya-Wen Chiu
CPA		Shih-Chin Chih
Repayment		Bonds will be repaid in one lump sum at the time of maturity three years from the issue date.
Outstanding principal balance		NT\$300 million
Terms of redemption or prepayment		Not applicable
Restrictions		None
Name of credit-rating agencies, date of rating, results of rating of corporate bonds		Not applicable
Additional rights	Amount of common shares, depositary receipts or other negotiable securities already converted (exchanged or subscribed) as of the date of publication of the prospectus	Not applicable
	Issue and conversion (exchange or subscription)	Not applicable
Issue and conversion, exchange or subscription, issue conditions that may dilute the equity or affect the interests of current shareholders		Not applicable
Name of custodian entrusted with the exchange		Not applicable

Status on the issue of domestic secured (unsecured) corporate bonds

Attachment 3

Types of corporate bonds		2021 first series domestic secured corporate bonds
Date of issue		July 30, 2021
Denomination		NT\$1 million
Place of issue and trading		Not applicable
Issue price		Issued in full at face value
Total amount		NT\$500 million
Interest rate		Coupon rate: Fixed annual interest rate at 0.70%
Deadline		Three years, maturity date: July 30, 2024
Guarantee Agency		Taiwan Cooperative Bank
Trustee		Jih Sun International Bank
Underwriter		Taiwan Cooperative Securities
Certified attorney		Ya-Wen Chiu
CPA		Shu-Ying Chang
Repayment		Bonds will be repaid in one lump sum at the time of maturity three years from the issue date.
Outstanding principal balance		NT\$500 million
Terms of redemption or prepayment		Not applicable
Restrictions		Not applicable
Name of credit-rating agencies, date of rating, results of rating of corporate bonds		Not applicable
Additional rights	Amount of common shares, depository receipts or other negotiable securities already converted (exchanged or subscribed) as of the date of publication of the prospectus	Not applicable
	Issue and conversion (exchange or subscription)	Not applicable
Issue and conversion, exchange or subscription, issue conditions that may dilute the equity or affect the interests of current shareholders		Not applicable
Name of custodian entrusted with the exchange		Not applicable

Status on the issue of domestic secured
(unsecured) corporate bonds

Attachment 3

Types of corporate bonds (Note 2)	2021 second series domestic secured corporate bonds	
Date of issue	November 25, 2021	
Denomination	NT\$1 million	
Place of issue and trading (Note 3)	Not applicable	
Issue price	Issued in full at face value	
Total amount	NT\$600 million	
Interest rate	0.60%	
Deadline	5-year Maturity date: November 25, 2026	
Guarantee Agency	First Commercial Bank of Taiwan	
Trustee	Jih Sun International Bank	
Underwriter	First Securities Inc.	
Certified attorney	Ya-Wen Chiu	
CPA	Shu-Ying Chang	
Repayment	Bonds will be repaid in one lump sum at the time of maturity five years from the issue date.	
Outstanding principal balance	NT\$600 million	
Terms of redemption or prepayment	Not applicable	
Restrictions (Note 4)	Not applicable	
Name of credit-rating agencies, date of rating, results of rating of corporate bonds	Not applicable	
Additional rights	Amount of common shares, depository receipts or other negotiable securities already converted (exchanged or subscribed) as of the date of publication of the annual report	Not applicable
Issue and conversion (exchange or subscription)	Not applicable	
Issue and conversion, exchange or subscription, issue conditions that may dilute the equity or affect the interests of current shareholders	Not applicable	
Name of custodian entrusted with the exchange	Not applicable	

Status on the issue of domestic secured (unsecured)
corporate bonds

Attachment 3

Types of corporate bonds (Note 2)		2021 third series domestic secured corporate bonds
Date of issue		January 6, 2022
Denomination		NT\$1 million
Place of issue and trading (Note 3)		Not applicable
Issue price		Issued in full at face value
Total amount		NT\$500 million
Interest rate		0.65%
Deadline		3-year Maturity date: January 6, 2025
Guarantee Agency		Taiwan Cooperative Bank
Trustee		Jih Sun International Bank
Underwriter		Taiwan Cooperative Securities
Certified attorney		Ya-Wen Chiu
CPA		Shu-Ying Chang
Repayment		One-fifth of the total issued amount of the corporate bonds is repaid one year after the issue date, another one-fifth of the total amount is repaid two years after the issue date, and three-fifth of the total amount is repaid three years after the issue date.
Outstanding principal balance		NT\$500 million
Terms of redemption or prepayment		Not applicable
Restrictions (Note 4)		Not applicable
Name of credit-rating agencies, date of rating, results of rating of corporate bonds		Not applicable
Additional rights	Amount of common shares, depositary receipts or other negotiable securities already converted (exchanged or subscribed) as of the date of publication of the annual report	
	Issue and conversion (exchange or subscription)	Not applicable
Issue and conversion, exchange or subscription, issue conditions that may dilute the equity or affect the interests of current shareholders		Not applicable
Name of custodian entrusted with the exchange		Not applicable

Status on the issue of domestic secured (unsecured) corporate bonds

Attachment 3

Types of corporate bonds	2022 first series domestic unsecured corporate bonds	
Date of issue	July 4, 2022	
Denomination	NT\$1 million	
Place of issue and trading	Not applicable	
Issue price	Issued in full at face value	
Total amount	NT\$500 million	
Interest rate	Coupon rate: Fixed annual interest rate at 4%	
Deadline	3-year, maturity date: July 4, 2025	
Guarantee Agency	Not applicable	
Trustee	Taiwan Shin Kong Commercial Bank Company Ltd.	
Underwriter	Taiwan Cooperative Securities	
Certified attorney	Ya-Wen Chiu	
CPA	Shu-Ying Chang	
Repayment	The repurchase right is exercised on the day of the interest payment date one year after the issue of the corporate bonds to buy back 50% of the total issue; and repurchase right is exercised on the day of the interest payment date two years after the issue of the corporate bonds to buy back another 50%. If the Company has not exercised its repurchase right, the principal will be repaid in one payment at maturity three years after the issue date of the corporate bonds.	
Outstanding principal balance	NT\$500 million	
Terms of redemption or prepayment	Not applicable	
Restrictions	Not applicable	
Name of credit-rating agencies, date of rating, results of rating of corporate bonds	Not applicable	
Additional rights	Amount of common shares, depositary receipts or other negotiable securities already converted (exchanged or subscribed) as of the date of publication of the prospectus	Not applicable
	Issue and conversion (exchange or subscription)	Not applicable
Issue and conversion, exchange or subscription, issue conditions that may dilute the equity or affect the interests of current shareholders	Not applicable	
Name of custodian entrusted with the exchange	Not applicable	

Independent Auditors' Report

To the Board of Directors of JSL CONSTRUCTION & DEVELOPMENT CO., LTD.:

Opinion

We have audited the financial statements of JSL CONSTRUCTION & DEVELOPMENT CO., LTD.(“the Company”), which comprise the balance sheets as of December 31, 2022 and 2021, 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, 2022 and 2021, 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 audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of 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 Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

1. Revenue recognition

Refer to Note 4(n) for the accounting policies on revenue recognition; Note 5 for details on the significant accounting assumptions and judgments, and major sources of the estimation uncertainty on revenue recognition; Note 6(v) “Revenues from contracts with customers” for revenue recognition.

Description of key audit matter:

The principle income of the Company is generated from selling real estate properties, of which has a higher tendency of revenue fluctuation due to impacts of various factors such as overall economic environment, supply and demand and reform of house and land transactions income tax system; to respond to aforementioned changes, the management has set up relevant internal control procedures over income and payment collection. The consolidated service contract income for the year ended December 31, 2022 was amounted to \$2,388,259 thousand. The accounting treatment of service contracts involve estimates and judgments; thus, it was continuously considered as significant audit risk for the Company. Consequently, revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included the following: Testing the effectiveness of the design and implementing the internal control system of sales revenue; Understanding the effectiveness of the control mechanism for the Company' s real estate sales revenue and collection operations. Also, to spot check the pre-orders forms of on site real estate sales, confirmation on completion of sales contract and site daily report for sales on site, the invoice of marketing planning services, bank transactions records; testing if the accounting treatment adopted for service contract income was in accordance with accounting policies; to sample check on sales transactions for the period before and after the financial reporting date and confirm the related vouchers to assess whether the revenue recognition period is appropriate.

2. Valuation of inventories

Please refer to Note 4(f) and Note 5 for the accounting policy of inventory valuation, as well as the estimation and assumption uncertainty of the valuation of inventory, respectively. Information of estimation of the valuation of inventory are disclosed in Note 6(e) of the financial statements.

Description of key audit matter:

As of December 31, 2022, inventory of the Company (construction industry) was amounted to \$17,179,125 thousand, which accounted for 67% of the consolidated total assets, and the inventory amount was presented with lower of cost or net realizable value. The judgment of net realizable value relies on management since the Company focuses on real estate industry, the industry is not only deeply affected by politics, economics, and reform of house and land transactions income tax system, but also an industry that is capital intensive and has long recover period. Consequently, revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included the following: understanding the Company' s operating and accounting procedures for inventory valuation.; obtaining the Company management' s data on net realizable value of inventory or individual investment evaluation forms, then sampling these data to review their market prices and comparing with contract prices of recent sales by the Company or the most updated selling prices of nearby properties. Consequently, confirming if the net realizable value of inventory is appropriate.

3. Right-of-use assets -Impairment assessment of superfices

Please refer to notes 4(k) for the accounting policy on recognition and measurement of superfices, notes 5 "Critical accounting judgments and key sources of estimation uncertainty" , for estimation uncertainty of impairment of right-of-use assets -impairment assessment of superfices, and Note 6(i) "Right-of-use assets -Impairment assessment of superfices" , and for the related disclosures, respectively, of the notes to the consolidated financial statements.

Description of key audit matter:

As of December 31, 2022, the right of use assets - superficies held by the Company was amounted to \$1,034,993 thousand, representing 4% of the consolidated total assets; its impairment assessment at financial reporting date is important. The assessment process and valuation method depend on management's subjective judgment, which is an accounting estimate with high estimation uncertainty. Therefore, the impairment of right of use assets - superficies is one of the most important evaluation in performing our audit procedures

How the matter was addressed in our audit:

Our principal audit procedures included the following: Understanding the control and accounting treatment of the Company' s asset impairment operations; confirming that all assets subject to impairment testing are fully included in management' s assessment process; obtaining management' s data on assessment assumptions, and determine the reasonableness of the valuation methods adopted to measure recoverable amounts. Then refer to external market data, comparable market transactions and discount rates. Then, to verify the reasonableness of the valuation data and assumptions; verifying whether the Company has properly disclosed its policies and other relevant information on impairment of long-term non-financial assets.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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 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 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 auditor' s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 Shu-Ying Chang and Hsin-Ting Huang.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2023

張淑瑩



黃欣婷



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 Originally Issued in Chinese)
JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statement of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

	2022		2021	
	Amount	%	Amount	%
4000 Operating revenue (Notes 6(v) and 7)	\$ 2,783,221	100	3,437,715	100
5000 Operating costs (Notes 6(e) and 7)	1,645,487	59	1,435,909	42
Gross profit	1,137,734	41	2,001,806	58
Operating expenses (Notes 6(w) and 7):				
6100 Selling expenses	239,593	9	255,003	7
6200 Administrative expenses	249,279	9	230,724	7
6450 Impairment loss determined in accordance with IFRS (Note 6(d))	15,159	1	2,361	-
	504,031	19	488,088	14
Net operating income	633,703	22	1,513,718	44
Non-operating income and expenses:				
7100 Interest income (Notes 6(x) and 7)	2,479	-	1,007	-
7010 Other income (Notes 6(x) and 7)	19,001	1	17,297	1
7020 Other gains and losses (Notes 6(g), (j) and (x))	133,159	5	12,525	-
7050 Finance costs (Notes 6(p), (x) and 7)	(252,830)	(9)	(174,820)	(5)
7070 Share of profit (loss) of subsidiaries, associates, and joint ventures under the equity method	44,789	2	104,199	3
	(53,402)	(1)	(39,792)	(1)
7900 Profit before tax	580,301	21	1,473,926	43
7950 Less: Income tax expenses (Note 6(s))	135,686	5	341,861	10
Profit	444,615	16	1,132,065	33
8300 Other comprehensive income, net	-	-	-	-
Total comprehensive income	\$ 444,615	16	1,132,065	33
Earnings per share (NT dollar) (Note 6(u))				
Basic earnings per share (in New Taiwan dollars)	\$	1.67		4.25
Diluted earnings per share (in New Taiwan dollars)	\$	1.67		4.25

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company's Financial Statements Originally Issued in Chinese)
JSL CONSTRUCTION DEVELOPMENT CO., LTD.

Statement of Retained Earnings in Equity

For the years ended December 31, 2022 and 2021
 (Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings		Total equity
	Ordinary shares	Legal reserve	Unappropriated retained earnings	Total retained earnings	
Balance at January 1, 2021	\$ 1,466,000	2,076,211	90,360	1,637,908	5,270,479
Total comprehensive income	-	-	-	1,132,065	1,132,065
Earnings appropriation and distribution:					
Legal reserve appropriated	-	-	90,615	(90,615)	-
Other changes in capital surplus:					
Stock dividends from capital surplus	146,600	(146,600)	-	-	-
Cash dividends from capital surplus	-	(146,600)	-	-	(146,600)
Balance at December 31, 2021	1,612,600	1,783,011	180,975	2,679,358	6,255,944
Total comprehensive income	-	-	-	444,615	444,615
Earnings appropriation and distribution:					
Legal reserve appropriated	-	-	113,206	(113,206)	-
Cash dividends of ordinary share	-	-	-	(161,260)	(161,260)
Stock dividends of ordinary share	967,560	-	-	(967,560)	-
Other changes in capital surplus:					
Stock dividends from capital surplus	80,630	(80,630)	-	-	-
Cash dividends from capital surplus	-	(403,150)	-	-	(403,150)
Balance at December 31, 2022	\$ 2,660,790	1,299,231	294,181	1,881,947	6,136,149

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

JSL CONSTRUCTION & DEVELOPMENT CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 580,301	1,473,926
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	30,433	42,200
Amortization expense	316	221
Impairment loss determined in accordance with IFRS 9	15,159	2,361
Interest expense	252,830	174,820
Interest income	(2,479)	(1,007)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(44,789)	(104,199)
Gain on disposals of investment property	(18,745)	-
Gain on modification of leases	-	(744)
Loss on disposal of investments accounted for using equity method	742	-
Total adjustments to reconcile profit	233,467	113,652
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in notes accounts receivable, net	72,707	11,480
Increase in notes receivable due from related parties	(640)	-
Increase in accounts receivable	(59,544)	(290,378)
Decrease (increase) in accounts receivable due from related parties	96,695	(79,329)
Decrease in other receivable	6,635	5,663
(Increase) decrease in other receivable due from related parties	(11,957)	43,857
Increase in inventories	(5,383,977)	(2,806,366)
Increase in prepayments	(18,420)	(43,726)
Increase in other current assets	(588,328)	(455,801)
Increase in other current financial assets	(17,026)	(9,289)
Increase in assets recognised as incremental costs to obtain contract with customers	(134,415)	(54,982)
Increase in assets recognised from costs to fulfil contracts with customers	(175,848)	(4,628)
Total changes in operating assets	(6,214,118)	(3,683,499)
Changes in operating liabilities:		
Increase in contract liabilities	1,046,502	562,959
Decrease (increase) in notes payable	(58,579)	57,047
Increase (decrease) in accounts payable	448,131	(58,407)
(Decrease) increase in accounts payable to related parties	(20,910)	156,427
Decrease in other payables	(84,567)	(10,785)
Increase in other payable to related parties	250,865	15,683
(Decrease) increase in provisions for employee benefits	(40)	1,422
Increase in other financial liabilities	4,063	-
Decrease in other current liabilities	(6,163)	(8,012)
Total changes in operating liabilities	1,579,302	716,334
Total changes in operating assets and liabilities	(4,634,816)	(2,967,165)
Total adjustments	(4,401,349)	(2,853,513)
Cash outflow generated from operations	(3,821,048)	(1,379,587)
Interest received	2,459	988
Interest paid	(280,877)	(205,784)
Income taxes paid	(217,916)	(414,120)
Net cash flows generated from operating activities	(4,317,382)	(1,998,503)

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

Statements of Cash Flows (CONT' D)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the year ended December 31	
	2022	2021
Cash flows from investing activities:		
Acquisition of financial assets designated at fair value through profit or loss	-	(188,560)
Proceeds from disposal of investments accounted for using equity method	38	-
Capital reduction	-	62,000
Acquisition of property, plant and equipment	(1,335)	(7,670)
Decrease in other receivables due from related parties	-	30,000
Acquisition of intangible assets	(489)	(156)
Acquisition of investment properties	(148,343)	(50,218)
Proceeds from disposal of investment properties	78,874	-
Increase in other non-current financial assets	(87,939)	(302,609)
Increase in other non-current assets	-	(255)
Dividends received	127,765	8,461
Net cash outflows used in investing activities	(31,429)	(449,007)
Cash flows from financing activities:		
Increase in short-term loans	6,798,761	5,986,341
Decrease in short-term loans	(4,195,260)	(4,488,508)
Increase in short-term notes and bills payable	6,891,600	1,285,000
Decrease in short-term notes and bills payable	(5,661,100)	(1,130,000)
Proceeds from issuing bonds	1,000,000	1,100,000
Repayments of bonds	(500,000)	-
Proceeds from long-term debt	73,010	94,990
Repayments of long-term debt	(3,091)	(3,096)
Increase in guarantee deposits received	12,428	382
Increase in other payables to related parties	350,000	-
Payment of lease liabilities	(13,596)	(22,947)
Cash dividends paid	(564,410)	(146,600)
Net cash inflows generated from financing activities	4,188,342	2,675,562
Net (decrease) increase in cash and cash equivalents	(160,469)	228,052
Cash and cash equivalents at the beginning of the year	596,263	368,211
Cash and cash equivalents at the end of the year	\$ 435,794	\$ 596,263

See accompanying notes to parent company only financial statements.

Independent Auditors' Report

To the Board of Directors of JSL CONSTRUCTION & DEVELOPMENT CO., LTD.:

Opinion

We have audited the consolidated financial statements of JSL CONSTRUCTION & DEVELOPMENT CO., LTD. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, 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, 2022 and 2021, 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 ("IFRSs"), 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 audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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 of the current period. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

1. Revenue recognition

Refer to Note 4(o) for the accounting policies on revenue recognition; Note 5 for details on the significant accounting assumptions and judgments, and major sources of the estimation uncertainty on revenue recognition; Note 6(u) "Revenues from contracts with customers" for revenue recognition.

Description of key audit matter:

The principle income of the Group is generated from selling real estate properties, of which has a higher tendency of revenue fluctuation due to impacts of various factors such as overall economic environment, supply and demand and reform of house and land transactions income tax system; to respond to aforementioned changes, the management has set up relevant internal control procedures over income and payment collection. The consolidated service contract income for the year ended December 31, 2022 was amounted to \$2,571,872 thousand. The accounting treatment of service contracts involve estimates and judgments; thus, it was continuously considered as significant audit risk for the Group. Therefore, the test of revenue recognition was one of the key audit matters in the audit of consolidated financial reports for the year ended December 31, 2022 and 2021 of the Group.

How the matter was addressed in our audit:

Our principal audit procedures included the following: Testing the effectiveness of the design and implementing the internal control system of sales revenue; Understanding the effectiveness of the control mechanism for the Group's real estate sales revenue and collection operations. Also, to spot check the pre-orders forms of on site real estate sales, confirmation on completion of sales contract and site daily report for sales on site, the invoice of marketing planning services, bank transactions records; testing if the accounting treatment adopted for service contract income was in accordance with accounting policies; to sample check on sales transactions for the period before and after the financial reporting date and confirm the related vouchers to assess whether the revenue recognition period is appropriate.

2. Valuation of inventories

Please refer to note 4(h), note 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, 2022, inventory of the Group (construction industry) was amounted to \$17,277,232 thousand, which accounted for 65% of the consolidated total assets, and the inventory amount was presented with lower of cost or net realizable value. The judgment of net realizable value relies on management since the Group focuses on real estate industry, the industry is not only deeply affected by politics, economics, and reform of house and land transactions income tax system, but also an industry that is capital intensive and has long recover period. Thus, the valuation of inventory is one of the most important evaluation in performing our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures included the following: understanding the Group's operating and accounting procedures for inventory valuation.; obtaining the Group management's data on net realizable value of inventory or individual investment evaluation forms, then sampling these data to review their market prices and comparing with contract prices of recent sales by the Group or the most updated selling prices of nearby properties. Consequently, to confirm if the net realizable value of inventory is appropriate.

3. Right-of-use assets -Impairment assessment of superficities

Please refer to notes 4(l) for the accounting policy on recognition and measurement of superficities, notes 5 "Critical accounting judgments and key sources of estimation uncertainty" , for estimation uncertainty of impairment of right-of-use assets -impairment assessment of superficities, and Note 6(i) "Right-of-use assets -Impairment assessment of superficities" , and for the related disclosures, respectively, of the notes to the consolidated financial statements.

Description of key audit matter:

As of December 31, 2022, the right of use assets - superficies held by the Group was amounted to \$1,034,993 thousand, representing 4% of the consolidated total assets; its impairment assessment at financial reporting date is important. The assessment process and valuation method depend on management's subjective judgment, which is an accounting estimate with high estimation uncertainty. Therefore, the impairment of right of use assets - superficies is one of the most important evaluation in performing our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures included the following: Understanding the control and accounting treatment of the Group's asset impairment operations; confirming that all assets subject to impairment testing are fully included in management's assessment process; obtaining management's data on assessment assumptions, and determine the reasonableness of the valuation methods adopted to measure recoverable amounts. Then refer to external market data, comparable market transactions and discount rates. Then, to verify the reasonableness of the valuation data and assumptions; verifying whether the Group has properly disclosed its policies and other relevant information on impairment of long-term non-financial assets.

Other Matter

JSL CONSTRUCTION & DEVELOPMENT CO., LTD. has prepared its parent group only financial statements as of and for the year ended December 31, 2022 and 2021, on which we have issued an unmodified opinion with other matter paragraph.

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 described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined 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 Shu-Ying Chang and Hsin-Ting Huang.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2023

張淑瑩



黃欣婷



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 Originally Issued in Chinese)
JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

		2022		2021	
		Amount	%	Amount	%
4000	Total operating revenue (Notes 6(v) and 7)	\$ 4,734,010	100	5,521,414	100
5000	Total operating costs (Notes 6(e) and 7)	3,323,852	70	3,205,880	57
	Gross profit from operations	1,410,158	30	2,315,534	43
	Operating expenses:				
6100	Total selling expenses (Note 7)	273,620	7	287,237	5
6200	Total administrative expenses (Notes 6(w) and 7)	364,795	8	332,522	6
6300	Total research and development expenses	40,037	1	37,582	1
6450	Expected credit loss (gain) (Note 6(d))	15,151	-	4,177	-
	Total operating expenses	693,603	16	661,518	12
	Net operating income	716,555	14	1,654,016	31
	Non-operating income and expenses:				
7100	Total interest income (Note 6(x))	2,937	-	611	-
7010	Total other income (Notes 6(x) and 7)	19,321	-	16,758	-
7020	Other gains and losses, net (Notes 6(j), (x), 7 and 9)	121,343	3	15,488	-
7050	Finance costs, net (Notes 6(x) and 7)	(255,260)	(5)	(176,837)	(3)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6(f))	(1,946)	-	-	-
	Total non-operating income and expenses	(113,605)	(2)	(143,980)	(3)
	Profit (loss) from continuing operations before tax	602,950	12	1,510,036	28
7950	Less: Income tax expenses (Note 6(s))	158,335	3	377,971	7
	Profit	444,615	9	1,132,065	21
8300	Other comprehensive income	-	-	-	-
	Total comprehensive income	\$ 444,615	9	1,132,065	21
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	\$ 444,615	9	1,132,065	21
8620	Non-controlling interests	-	-	-	-
		\$ 444,615	9	1,132,065	21
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$ 444,615	9	1,132,065	21
8620	Non-controlling interests	-	-	-	-
		\$ 444,615	9	1,132,065	21
	Basic earnings per share (Note 6(u))				
9750	Basic earnings per share	\$ 1.67		4.25	
9850	Diluted earnings per share	\$ 1.67		4.25	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Total equity attributable to owners of parent	Total equity
	Share capital	Capital surplus	Legal reserve	Retained earnings	Unappropriated retained earnings		
Ordinary shares							
\$	1,466,000	2,076,211	90,360	1,637,908	5,270,479	5,270,479	
	-	-	-	1,132,065	1,132,065	1,132,065	1,132,065
	-	-	-	-	-	-	-
	-	-	-	1,132,065	1,132,065	1,132,065	1,132,065
	-	-	90,615	(90,615)	-	-	-
	146,600	(146,600)	-	-	-	-	-
	-	(146,600)	-	-	(146,600)	(146,600)	(146,600)
	1,612,600	1,783,011	180,975	2,679,358	6,255,944	6,255,944	6,255,944
	-	-	-	444,615	444,615	444,615	444,615
	-	-	-	-	-	-	-
	-	-	-	444,615	444,615	444,615	444,615
	-	-	113,206	(113,206)	-	-	-
	-	-	-	(161,260)	(161,260)	(161,260)	(161,260)
	967,560	-	-	(967,560)	-	-	-
	80,630	(80,630)	-	-	-	-	-
	-	(403,150)	-	-	(403,150)	(403,150)	(403,150)
Balance at December 31, 2022	2,660,790	1,299,231	294,181	1,881,947	6,136,149	6,136,149	6,136,149

Balance at January 1, 2021

Profit (loss)

Other comprehensive income

Total comprehensive income

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Other changes in capital surplus:

Stock dividends from capital surplus

Cash dividends from capital surplus

Balance at December 31, 2021

Profit (loss)

Other comprehensive income

Total comprehensive income

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Cash dividends of ordinary share

Stock dividends of ordinary share

Other changes in capital surplus:

Stock dividends from capital surplus

Cash dividends from capital surplus

Balance at December 31, 2021

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
JSL CONSTRUCTION & DEVELOPMENT CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities:		
Profit before tax	\$ 602,950	1,510,036
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	46,049	57,546
Amortization expense	402	221
Provision (reversal of provision) for bad debt expense	15,151	4,177
Interest expense	255,260	176,837
Interest income	(2,937)	(611)
Share of loss (profit) of associates and joint ventures accounted for using equity method	1,946	-
Loss (gain) on disposal of investment properties	(18,745)	-
Loss (gain) on disposal of investments accounted for using equity method	742	-
Gain on modification of leases	-	(744)
Total adjustments to reconcile profit	297,868	237,426
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in contract assets	(183,987)	(1,517)
Decrease notes receivable	70,876	11,817
Increase in notes receivable due from related parties	(2,042)	-
Increase in accounts receivable	(3,357)	(330,956)
(Decrease) increase in accounts receivable due from related parties,	256,238	(216,997)
(Increase) decrease in other receivables	(3,914)	6,348
(Increase) decrease in other receivables from related parties	(13,561)	23,293
Increase in inventories	(5,366,538)	(2,630,678)
Increase in other prepayments	(110,028)	(206,672)
Increase in other current financial assets	(687,286)	(354,455)
Increase in other current assets	(43,475)	(21,885)
Increase in assets recognised as incremental costs to obtain contract with customers	(134,415)	(54,982)
Increase in assets recognised from costs to fulfil contracts with customers	(185,914)	(3,614)
Total changes in operating assets	(6,407,403)	(3,780,298)
Changes in operating liabilities:		
Increase in contract liabilities	1,101,068	812,981
(Decrease) increase in notes payable	(58,579)	58,492
Increase in accounts payable	724,395	328,123
Increase (decrease) in accounts payable to related parties	12,397	(16,112)
Decrease in other payable	(74,770)	(129,221)
Increase in accounts payable to related parties	209,089	48,119
Increases in provisions for employee benefits	1,808	721
Increases in Other current financial liabilities	4,063	-
(Decrease) increases in Other current liabilities	(25,683)	16,876
Total changes in operating liabilities	1,893,788	1,119,979
Total changes in operating assets and liabilities	(4,513,615)	(2,660,319)
Total adjustments	(4,215,747)	(2,422,893)
Cash outflow generated from operations	(3,612,797)	(912,857)
Interest received	2,937	611
Interest paid	(285,074)	(199,120)
Income taxes paid	(268,892)	(414,923)
Net cash flows generated from operating activities	(4,163,826)	(1,526,289)
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(188,560)
Proceeds from disposal of investments accounted for using equity method	38	-
Acquisition of property, plant and equipment	(3,621)	(10,242)
Acquisition of intangible assets	(1,519)	(156)
Acquisition of investment properties	(151,663)	(82,981)
Proceeds from disposal of investment properties	78,874	-
Increase in other non-current financial assets	(90,575)	(404,600)
Increase in other non-current assets	-	(255)
Net cash flows used in investing activities	(168,466)	(686,794)
Cash flows from financing activities:		
Increase in short-term borrowings	6,798,761	5,986,341
Decrease in short-term borrowings	(4,195,260)	(4,488,508)
Increase in short-term notes and bills payable	7,456,600	1,285,000
Decrease in short-term notes and bills payable	(5,661,100)	(1,130,000)
Cash dividends paid	(564,410)	-
Proceeds from issuing bonds	1,000,000	1,100,000
Repayments of bonds	(500,000)	-
Proceeds from long-term borrowings	73,010	94,990
Repayments of long-term borrowings	(3,091)	(3,096)
Increase in guarantee deposits received	13,328	382
Payment of lease liabilities	(26,706)	(35,747)
Net cash flows generated from (used in) financing activities	4,391,132	2,809,362
Net increase (decrease) in cash and cash equivalents	58,840	596,279
Cash and cash equivalents at the beginning of the year	1,084,043	487,764
Cash and cash equivalents at the end of the year	\$ 1,142,883	1,084,043

See accompanying notes to consolidated financial statements.

2022 Earnings Distribution Table



Unit : NT\$

Item	Amount	
	Subtotal	T o t a l
Beginning balance of undistributed earnings		1,437,331,370
Add: Current net profit after tax	444,615,479	
Less: 10% legal reserve	(44,461,548)	
Distributable earnings		1,837,485,301
Assign items		
Dividend to shareholders - cash (NT\$0.5 per share)	(145,039,500)	
Bonus to shareholders - stock (2.5 NT dollars/share)	(725,197,500)	
End balance of undistributed earnings		967,248,301

Chairperson: Cao Yuanbo :



Manager: Fan Huajun :



Accountant Officer: Li Xiutai :



JSL Construction & Development Co., Ltd.

Comparison of Amendments to Board Meeting Rules of Procedures

Attachment 7

Articles	Original Articles	Amended Articles	Reasons for Amendment
Article 3	<p>Board meetings are held at least once a quarter as stipulated in the Rules of Procedures.</p> <p>Reasons shall be specified and every director and supervisor shall be notified at least seven days before the convening of board meetings. Meetings can be called at any time in case of emergency.</p> <p>The meeting notice can be made electronically if agreed upon by the counterparty.</p> <p>All matters set forth under paragraph 1, Article 7 of the Rules of Procedures shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion <u>except in the case of an emergency or for other legitimate reasons.</u></p>	<p>Board meetings are held at least once a quarter as stipulated in the Rules of Procedures.</p> <p>Reasons shall be specified and every director and supervisor shall be notified at least seven days before the convening of board meetings. Meetings can be called at any time in case of emergency. The meeting notice can be made electronically if agreed upon by the counterparty.</p> <p>All matters set forth under paragraph 1, Article 7 of the Rules of Procedures shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion.</p>	Amended in accordance with the regulations.
Article 7	<p>The following matters shall be discussed in the Company's board meetings:</p> <p>I. The Company's business plan.</p> <p>II. Exception can be made for annual and semi-annual financial reports that, in accordance with the laws, are required to be audited and attested by CPAs.</p> <p>III. Establish or amend the internal control protocols, and the evaluation of the effectiveness of the internal control protocols in accordance with Article 14-1 of the Securities and Exchange Act.</p> <p>IV. Establish or amend procedures of material financial or business transactions, such as acquisition or disposal of assets, engaging in derivatives trading, lending funds to others, endorsements or guarantees to others, in accordance with Article 36-1 of the Securities and Exchange Act.</p> <p>V. The offering, issuance, or private placement of equity-type securities.</p> <p><u>VI. The appointment or dismissal</u></p>	<p>The following matters shall be discussed in the Company's board meetings:</p> <p>I. The Company's business plan.</p> <p>II. Annual financial reports and semi-annual financial reports. Exceptions can be made for semi-annual financial reports that, in accordance with the laws, are not required to be audited and attested by CPAs.</p> <p>III. Establish or correct the internal control protocols, and the evaluation of the effectiveness of the internal control protocols in accordance with Article 14-1 of the Securities and Exchange Act.</p> <p>IV. Establish or correct procedures of material financial or business transactions, such as acquisition or disposal of assets, engaging in derivatives trading, lending funds to others, endorsements or guarantees to others, in accordance with Article 36-1 of the Securities and Exchange Act.</p> <p>V. The offering, issuance, or private placement of equity-type securities.</p> <p><u>VI. The election or dismissal of the chairman if the board does not have an executive director.</u></p> <p><u>VII. The appointment or discharge of financial, accounting, or internal</u></p>	Revised in accordance with the laws and changed the order number.

Articles	Original Articles	Amended Articles	Reasons for Amendment
	<p>of financial, accounting, or internal audit officers.</p> <p><u>VII.</u> A donation to a related party, or a major donation to a non-related party. However, public welfare donations for the emergency relief of major natural disasters may be ratified in the next board meeting.</p> <p><u>VIII.</u> Matters to be resolved by shareholders meetings or board meetings or material matters specified by the authority in accordance with Article 14-3 of the Securities and Exchange Act, other laws and regulations or the Articles of Incorporation.</p> <p>The term “related party” in subparagraph <u>7</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term “major donation to a non-related party” means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The “one-year” timeframe mentioned in the preceding paragraph dates back one year from the date of the board meeting. Transactions that have already been passed by the board resolution can be excluded.</p> <p>In the event where shares of foreign companies have no par value or a par value other than NT\$10, the calculation of transaction amounts of 5% of paid-in capital will be substituted by 2.5% of shareholders' equity. At least one independent director shall attend the meeting in person. With respect to the matters which must be approved by the board resolution as provided in the first paragraph, all independent directors shall attend the meeting. If an independent director is unable to attend the meeting in person, that independent director shall appoint another</p>	<p>auditing officers.</p> <p><u>VIII.</u> A donation to a related party, or a major donation to a non-related party. However, public welfare donations for the emergency relief of major natural disasters may be ratified in the next board meeting.</p> <p><u>IX.</u> Matters to be resolved by shareholders meetings or board meetings or material matters specified by the authority in accordance with Article 14-3 of the Securities and Exchange Act, other laws and regulations or the Articles of Incorporation.</p> <p>The term “related party” in subparagraph <u>8</u> of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term “major donation to a non-related party” means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NT\$100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The “one-year” timeframe mentioned in the preceding paragraph dates back one year from the date of the board meeting. Transactions that have already been passed by the board resolution can be excluded.</p> <p>In the event where shares of foreign companies have no par value or a par value other than NT\$10, the calculation of transaction amounts of 5% of paid-in capital will be substituted by 2.5% of shareholders' equity. At least one independent director shall attend the meeting in person. With respect to the matters which must be approved by the board resolution as provided in the first paragraph, all independent directors shall attend the meeting. If an independent director is unable to attend the meeting in person, that independent director shall appoint another independent director to attend the meeting as proxy. An independent director who cannot attend the board meeting in person to express objections or reservations shall provide a written</p>	

Articles	Original Articles	Amended Articles	Reasons for Amendment
	independent director to attend the meeting as proxy. An independent director who cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there are some legitimate reasons to do otherwise. The opinion shall be specified in the minutes of the board of directors meeting.	opinion before the board meeting, unless there are some legitimate reasons to do otherwise. The opinion shall be specified in the minutes of the board of directors meeting.	
Article 19	If the board has managing directors, the rules of procedures for managing directors' meetings will comply with the provisions of Article 2, Paragraph 2 of Article 3, Articles 4 to 6, Article 9 and Articles 11 to 18. However, when meetings of the board of managing directors are held at regular intervals of 7 days or less, notices of such meetings may be given to each managing director 2 days before the meeting.	If the board has managing directors, the rules of procedures for managing directors' meetings will comply with the provisions of Article 2, Paragraph 2 of Article 3, Articles 4 to 6, Article 9 and Articles 11 to the <u>proceeding</u> article on that the <u>election and discharge of the chairman is applicable for the provisions of Paragraph 4 of Article 3.</u> However, when meetings of the board of managing directors are held at regular intervals of 7 days or less, notices of such meetings may be given to each managing director 2 days before the meeting. Director	Added that if the board of directors has an executive director, the rules and reasons for the election and discharge of the chairman are the same as that in I and II of Article 7.
Article 20	The Rules of Procedure were formulated by the board on March 28, 2007. 5th revision was made on March 30, 2020.	The Rules of Procedure were formulated by the board on March 28, 2007. 6th revision was made on September 12, 2022.	Added date of revision and new text.

JSL Construction & Development Co., Ltd.

Comparison of Amendments to Articles of Incorporation

Attachment 8

Articles	Original Articles	Amended Articles	Reasons for Amendment
Article 6	<p>The Company has an authorized capital of NT\$5 billion in 500 million shares. Each share has a face value of NT\$10. The board of directors is authorized to raise share capital in multiple issues. Within the aforementioned capital stock, NT\$20 million is reserved for the issuance of employee stock options in the amount of 20 million shares with a par value of NT\$10 per share. The board is authorized to issue the shares in installments.</p>	<p>The Company has an authorized capital of NT\$8 billion in 800 million shares. Each share has a face value of NT\$10. The board of directors is authorized to raise share capital in multiple issues. Within the aforementioned capital stock, NT\$20 million is reserved for the issuance of employee stock options in the amount of 20 million shares with a par value of NT\$10 per share. The board is authorized to issue the shares in installments.</p>	<p>To meet the needs of the Company's operations.</p>
Article 25	<p>The Articles of Incorporation were established on June 27, 1986. The 47th amendment was made on June 30, 2022.</p>	<p>The Articles of Incorporation were established on June 27, 1986. The 48th amendment was made on June 30, 2023.</p>	<p>Added the date and number of amendment.</p>

List of director candidates

Attachment 9

Order	Name	ID No.	No. of Shares Held	Education	Experience	Current Position
1	Chu Yuan Industrial Co., Ltd.	23906772	55,480,169	Not applicable	Not applicable	Jaysanlyn Construction Co., Ltd. -- Director Just Palace Co., Ltd. -- Director Kai Yu Hotel Co., Ltd. -- Director Fubishi Construction Co., Ltd. -- Director Huajiang International Development Co., Ltd. -- Director Ying-Jian-Da Co., Ltd. Chairman Hong Da Di Construction Co., Ltd. -- Chairman
2	Representative of Chu Yuan Industrial Co., Ltd. -- Wen-Yu Chu	A102XXX669	63,523,000	Feng Chia University / Department of Urban Planning and Spatial Information	JSL Construction & Development Co., Ltd. Chairman	JSL Construction & Development Co., Ltd. -- Director JSL Housing Agency Co., Ltd. -- Director Yi-Feng International Development Co., Ltd. -- Chairman Gaochao Industrial Co., Ltd. -- Chairman Chu Yuan Industrial Co., Ltd. -- Chairman Chao-Hong Construction Co., Ltd. -- Chairman Jaysanlyn Construction Co., Ltd. -- Director Jaysanlyn Advertising Co., Ltd. -- Supervisor Chuyi Industrial Co., Ltd. -- Supervisor
3	Jaysanlyn Advertising Co., Ltd.	86159963	31,255,703	Not applicable	Not applicable	Not applicable
4	Representative of Jaysanlyn Advertising Co., Ltd. -- Ying Chu Chang	A210XXX602	3,409,000	Feng Chia University / Department of Urban Planning and Spatial Information	President of Jaysanlyn Advertising Co., Ltd.	JSL Construction & Development Co., Ltd. -- Executive Assistant Jaysanlyn Advertising Co., Ltd. -- Chairman Wang-Ma Advertising Co., Ltd. -- Chairman Shin-Lu Construction Co., Ltd. -- Chairman Jaysanlyn Construction Co., Ltd. -- Chairman Shanlin International Industrial Co., Ltd. -- Chairman Zang-Fu Industrial Co., Ltd. -- Supervisor JSL Housing Agency Co., Ltd. -- Supervisor Chu Yuan Industrial Co., Ltd. -- Supervisor Fengyun Advertising Co., Ltd. -- Director Chuyi Industrial Co., Ltd. -- Director Gaochao Industrial Co., Ltd. -- Supervisor
5	Fengyun Advertising Co., Ltd.	54025529	40,995,775	Not applicable	Not applicable	Not applicable

6	Representative of Fengyun Advertising Co., Ltd. -- Ching-Tsai Chang	G120XXX017	370,000	Technical college		JSL Construction & Development Co., Ltd. – President Shigang Construction & Development Co., Ltd. – Chairman Shang-Jing Industrial Co., Ltd. -- Chairman Zang-Fu Industrial Co., Ltd. -- Director Wang-Ma Advertising Co., Ltd. -- Supervisor Zhuanzhu Advertising Co., Ltd. -- Director Gaochao Industrial Co., Ltd. -- Director Shanlin International Industrial Co., Ltd. -- Director
7	Yangshanlin Advertising Co., Ltd.	53764574	23,287,130	Not applicable	Not applicable	Not applicable
8	Representative of Yangshanlin Advertising Co., Ltd. -- Yi Chu	A126XXX149	427	American University / Department of Economics	JSL Entertainment Co., Ltd. -- Chairman	JSL Entertainment Co., Ltd. – Chairman Chuyi Industrial Co., Ltd. – Chairman Youyi Investment Co., Ltd. - Chairman Hong Da Di Construction Co., Ltd. -- Chairman Zang-Fu Industrial Co., Ltd. -- Chairman JSL International Development Co., Ltd. -- Chairman JSL Housing Agency Co., Ltd. -- Chairman Fengyun Advertising Co., Ltd. -- Chairman Yangshanlin Advertising Co., Ltd. -- Chairman

List of independent director candidates

Attachment 9

Order	Name	Personal Identification Number	No. of Shares Held	Education	Experience	Current Position
1	Hsiang-Chi Hu	A121XXX341	0	Master's degree in International Business, NTU Bachelor of Department of Electrical Engineering, NTU	Engineer at National Chung-Shan Institute of Science and Technology IBM sales representative / Professional management consulting Kaiju Company -- President EKEEN Precision Co., Ltd. -- Chairman Chipcera Technology Co., Ltd. - Chairman/President Yageo Corporation -- President of Global Business Group	ABICO NetCom Co., Ltd. -- Chairman Jabon International Co., Ltd. -- Chairman and CEO TranSystem, Inc. -- Chairman Ability I Venture Capital Corporation – Chairman Abico Asia Capital Corporation -- President ABICO AVY CO., LTD. - - President/Director ABILITY ENTERPRISE CO., LTD. -- Director
2	Chih-Hung Chang	E120XXX646	0	MBA at Indiana University of Pennsylvania	Avisotech -- Chairman	Avisotech – Chairman Chen-Huan Investment Co., Ltd. - Chairman Jhong Yue International Interior Decoration Design -- Director Huangdu Development -- Supervisor
3	Ju-Chun Tsai	C220XXX425	0	Fu Jen Catholic University	Power News Advertising Department -- President Mint Media Company – President Unichain International (HK) Limited -- Director Great Victory & Sunway Technology Ltd. -- Chairman	Chenco Holdings -- Director Vast Wise International Investment Consulting Limited -- Consultant

Non-competition restrictions on the directors (including independent directors) and their representatives

Attachment 10

Job title	Name	Concurrent positions at other companies
Director	Chu Yuan Industrial Co., Ltd.	Jaysanlyn Construction Co., Ltd. -- Director Just Palace Co., Ltd. -- Director Kai Yu Hotel Co., Ltd. -- Director Fubishi Construction Co., Ltd. -- Director Huajiang International Development Co., Ltd. -- Director Ying-Jian-Da Co., Ltd. Chairman Hong Da Di Construction Co., Ltd. -- Chairman
Representative	Wen-Yu Chu	Yi-Feng International Development Co., Ltd. -- Chairman Gaochao Industrial Co., Ltd. -- Chairman Chu Yuan Industrial Co., Ltd. -- Chairman Chao-Hong Construction Co., Ltd. -- Chairman Dalin Development Co. Ltd. -- Chairman Hong Lin Development Technology Co., Ltd. -- Director JSL Housing Agency Co., Ltd. -- Director Jaysanlyn Construction Co., Ltd. -- Representative of director Kai Yu Hotel Co., Ltd. -- Representative of director Fubishi Construction Co., Ltd. -- Representative of Director Jaysanlyn Advertising Co., Ltd. -- Supervisor Chuyi Industrial Co., Ltd. -- Supervisor
Director	Jaysanlyn Advertising Co., Ltd.	Not applicable
Representative	Ying-Chu Chang	Jaysanlyn Advertising Co., Ltd. -- Chairman Wang-Ma Advertising Co., Ltd. -- Chairman Shin-Lu Construction Co., Ltd. -- Chairman Jaysanlyn Construction Co., Ltd. -- Chairman Shanlin International Industrial Co., Ltd. -- Chairman Hong Lin Development Technology Co., Ltd. -- Chairman Zang-Fu Industrial Co., Ltd. -- Supervisor JSL Housing Agency Co., Ltd. -- Supervisor Chu Yuan Industrial Co., Ltd. -- Supervisor Fengyun Advertising Co., Ltd. -- Director Chuyi Industrial Co., Ltd. -- Director Gaochao Industrial Co., Ltd. -- Supervisor
Director	Fengyun Advertising Co., Ltd.	Not applicable
Representative	Ching-Tsai Chang	Shigang Construction & Development Co., Ltd. -- Chairman Shang-Jing Industrial Co., Ltd. -- Chairman Zang-Fu Industrial Co., Ltd. -- Director Hong Da Di Construction Co., Ltd. -- Director Wang-Ma Advertising Co., Ltd. -- Supervisor Zhuanzhu Advertising Co., Ltd. -- Director Gaochao Industrial Co., Ltd. -- Director Shanlin International Industrial Co., Ltd. -- Director Just Palace Co., Ltd. -- Representative of director
Director	Yangshanlin Advertising Co., Ltd.	Not applicable

Representative	I Chu	JSL Entertainment Co., Ltd. – Chairman Chuyi Industrial Co., Ltd -- Chairman Youyi Investment Co., Ltd. - Chairman Hong Da Di Construction Co., Ltd. -- Chairman Zang-Fu Industrial Co., Ltd. -- Chairman JSL International Development Co., Ltd. – Chairman JSL Housing Agency Co., Ltd. -- Chairman Fengyun Advertising Co., Ltd. -- Chairman Yangshanlin Advertising Co., Ltd. -- Chairman JSL International Development Co., Ltd. -- Representative of director Jaysanlyn Advertising Co., Ltd. -- Director Wang-Ma Advertising Co., Ltd. – Director Chu Yuan Industrial Co., Ltd. -- Chairman Hong Shun Hsing Real Estate -- Representative of director Huajiang International Development Co., Ltd. -- Representative of director Shigang Construction and Development -- Representative of director Shanlin International Industrial Co., Ltd. -- Supervisor Dalin Development Co. Ltd.– Supervisor Just Palace Co., Ltd. -- Supervisor Chuwang Development Co., Ltd. - Supervisor
Independent Director	Hsiang-Chi Hu	ABICO NetCom Co., Ltd. -- Chairman Jabon International Co., Ltd. -- Chairman and CEO TranSystem, Inc. -- Chairman Ability I Venture Capital Corporation – Chairman Abico Asia Capital Corporation – President ABICO AVY CO., LTD. -- President ABILITY ENTERPRISE CO., LTD. -- Director
Independent Director	Chih-Hung Chang	Avisotech – Chairman Chen-Huan Investment Co., Ltd. - Chairman Jhong Yue International Interior Decoration Design -- Director Huangdu Development -- Supervisor
Independent Director	Ju-Chun Tsai	Chenco Holdings -- Director Vast Wise International Investment Consulting Limited -- Consultant

Articles of Incorporation

Chapter One General Provisions

Article 1: The Company is organized in accordance with the provisions of the Company Act and is named JSL Construction & Development Co., Ltd.

Article 2: The Company is engaged in the following business activities:

1. F113010 Wholesale of Machinery.
2. A101020 Growing of Crops.
3. A201010 Afforestation/Silviculture.
4. A401020 Raising of Livestock and Poultry.
5. E801010 Indoor Decoration.
6. F301020 Supermarkets.
7. J602010 Performing Arts Activities.
8. I401010 General Advertisement Service.
9. F106010 Wholesale of Hardware.
10. F102030 Wholesale of Tobacco and Alcohol.
11. J101060 Wastewater (Sewage) Treatment.
12. F113020 Wholesale of Electrical Appliances.
13. F113030 Wholesale of Precision Instruments.
14. F113070 Wholesale of Telecommunication Apparatus.
15. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
16. F107030 Wholesale of Cleaning Supplies.
17. F118010 Wholesale of Computer Software.
18. A301010 Deep Sea Fishing.
19. J701040 Recreational Activities Venue.
20. J701020 Amusement Parks.
21. F107010 Wholesale of Paints, Coating and Varnishes.
22. C501040 Manufacture of Wood-Based Panels.
23. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing.
24. E601020 Electric Appliance Installation.
25. F107200 Wholesale of Chemical Feedstock.
26. F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies.
27. F110010 Wholesale of Clocks and Watches.
28. F113050 Wholesale of Computers and Clerical Machinery Equipment.
29. F119010 Wholesale of Electronic Materials.
30. F401010 International Trade.

31. G801010 Warehousing.
32. H701010 Housing and Building Development and Rental.
33. H701020 Industrial Factory Development and Rental.
34. H701050 Investment, Development and Construction in Public Construction.
35. H703090 Real Estate Business.
36. H703100 Real Estate Leasing.
37. I501010 Product Designing.
38. J801030 Athletics and Recreational Sports Stadium.
39. JA02010 Electric Appliance and Electronic Products Repair.
40. JE01010 Rental and Leasing.
41. F111090 Wholesale of Building Materials.
42. A202040 Logging.
43. JD01010 Industrial and Commercial Credit Checking Service.
44. I103060 Management Consulting.
45. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures.
46. F107990 Wholesale of Other Chemical Products.
47. F106020 Wholesale of Daily Commodities.
48. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories.
49. F102050 Wholesale of Tea Leaves.
50. F102170 Wholesale of food and grocery.
51. F199990 Other Wholesale Trade.
52. F501060 Restaurants.
53. A301020 Offshore Coastal and Inland Fishing.
54. F107020 Wholesale of Dyes and Pigments.
55. A102060 Food Dealers.
56. ZZ99999 All businesses that are not prohibited or restricted by law, except those that are subject to special approval.
57. I301020 Data Processing Services.
58. I301030 Digital Information Supply Services.
59. F601010 Intellectual Property Rights.
60. I199990 Other Consulting Services.
61. H704031 Real Estate Agency Brokerage.
62. H704041 Real Estate Consignment Brokerage.
63. H701060 New towns, new community development.
64. H701070 Process Zone Expropriation and Urban Land Readjustment Agency.
65. H701080 Urban renewal reconstruction.
66. H701090 Urban Renewal Renovation or Maintenance

Article 2-1: The percentage of the investment amount of the abovementioned invested subsidiaries to the Company's paid-in capital is not subject to Article 13 of the Company Act. It may be, however, subject to other regulations stipulated by the competent securities authority.

Article 3. The head office of the Company is located in Taipei City. If necessary, branch offices both at home or abroad may be established by the resolution of the board of directors.

Article 4: The Company may provide external guarantees due to the needs of the business.

Article 5: Public announcements of the Company shall be made in accordance with the Company Act and the related regulations.

Chapter Two Shares

Article 6: The Company has an authorized capital of NT\$5 billion in 500 million shares. Each share has a face value of NT\$10. The board of directors is authorized to raise share capital in multiple issues. Within the aforementioned capital stock, NT\$200 million is reserved for the issuance of employee stock options in the amount of 20 million shares with a par value of NT\$10 per share. The board is authorized to issue the shares in installments.

Article 7: The Company may consolidate stocks to issue stocks with a larger denomination at the request of Taiwan Depository & Clearing Corporation.

Article 8: The share certificates of the Company are all name-bearing, and signed or stamp-sealed by directors representing the Company, and are issued upon the authentication by the bank permitted by law to serve as the registrar for issuance of stocks. Shares of the company are exempted from actual printing but shall be registered with Taiwan Depository and Clearing Corporation.

Article 9: Transfer of shares shall not be set up as a defense against the issuing company, unless the name or title of the transferee has been recorded on the shares and the name or title and the residence or domicile address has been recorded in the shareholder register.

Article 10: If the stock is lost or destroyed, the Company must be notified of the loss in writing, and then follow the procedures of “Article 26 of the Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the Securities and Futures Bureau, before applying for reissuance.

Article 11: Shareholders should leave their records of seal with the Company for receiving dividends and exercising shareholder rights. The Company must be notified of the change of address, which is made effective only if the notification is stamped with the original seal. If the seal is lost or destroyed, follow the procedures of “Article 14 of the Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the Securities and Futures Bureau for the replacement with a new seal.

Article 12: Changes or transfers of the names of shares cannot be made within 60 days prior to annual shareholders’ meeting, 30 days prior to extraordinary general meetings or 5 days before the Company's decision on dividend or bonus distribution or other ex dates.

Chapter Three Shareholders Meeting

Article 13: There are two types of shareholder meetings and they are annual general meetings and extraordinary general meetings. Unless otherwise specified by law, shareholders’ meetings are to be convened by the board of directors. Annual general meetings are held within six months after the end of each fiscal year. Extraordinary general meetings, when necessary, are held in accordance with the law.

The shareholder meetings may be held by teleconferencing or other means announced by the central authority. However, due to natural disasters, incidents, or other force majeure events, the central competent authority may announce that the Company will hold meetings before a deadline, regardless of the provisions of the Articles of Incorporation, through teleconferencing or other methods announced.

If video conferencing is used in a shareholder meeting, shareholders who participate in the meeting via video conferencing are considered to have attended in person. The preceding two requirements may be, however, subject to other regulations stipulated by the competent securities authority.

Meeting handbooks shall be prepared for the convening of the general meeting of shareholders. Each shareholder shall be notified of the date, location and reasons for convening shareholders’ meetings at least 30 days before the general meetings or 15 days before the extraordinary meetings. The notification may be made in an electronic format accepted by the recipient.

The notification of the convening of the general meeting of shareholders referred to in the preceding paragraph may be made in the form of an announcement on the MOPS for shareholders holding less than 1,000 registered shares.

Article 14: Shareholders unable to attend the meeting may offer to show the power of attorney printed by the Company that specifies the scope of authorization and entrust their proxy to attend the meeting.

Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms must be received by the Company at least 5 days before the shareholder meeting. In cases where duplicate proxy forms are issued, the one that arrives first shall prevail. However, the shareholder can declare to cancel the proxy.

Should the shareholder decide to attend shareholder meeting personally or exercise voting rights in writing or by electronic means after a proxy form has been received by the Company, a written notice must be sent to the Company no later than 2 days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw proxy arrangement before the due date, the vote of the proxy attendant shall prevail.

A proxy representing more than two shareholders may not represent shares exceeding three percent of the total voting shares. The exceeded voting rights will not be counted.

Article 15: Unless otherwise specified in accordance with Article 179 of the Company Act to have no voting power, each share shall be equal to one vote and this shall apply to every shareholder. Voting rights can be exercised in writing or using the electronic method (according to Paragraph 1, Article 177-1 of The Company Act: the Company allows shareholders to exercise voting rights in writing or through the electronic method during shareholder meetings). Instructions for exercising voting rights in writing or through the electronic method must be stated clearly in writing in the convening notice for the meeting.

Shareholders exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, they will be considered to have waived their rights with respect to the extraordinary motions and amendments to original proposals of that meeting. It is therefore recommended that the Company avoids the submission of extraordinary motions and amendments to original proposals.

Shareholders exercising voting rights by correspondence or electronic means shall deliver their declaration of intent to the Company at least two days before the shareholders meeting. If there is a repetition of the declaration of intent, the declaration delivered first shall prevail. Except in the case when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, at least two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. If a shareholder has exercised voting rights both by correspondence or electronic means and has also appointed a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Unless otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. During the voting process, the chair or the otherwise designated personnel shall announce the total number of the eligible voting rights of the attending shareholders case by case and then voting shall begin. On the same day of the meeting, the complete voting tallies, including the number voting in favor, the number voting against, and the number abstaining from voting on each particular motion are to be entered into the Market Observation Post System.

For an amendment or substitution of the same motion, the chair is to combine it with the original motion to determine the vote order. If one of the motions has been passed, the other motions are viewed as rejected and no more voting will be conducted. The monitoring and counting personnel for the voting should be assigned by the chair, and the monitoring personnel should have shareholder status. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and made into record.

Article 16: Unless otherwise specified by the Company Act, resolutions at a shareholders' meeting shall be deemed ratified with consent of more than half of the voting rights present at a shareholders' meeting attended by more than half of all voting rights Shareholders exercising voting rights by electronic transmission will be deemed to have attended the meeting in person, and related matters are handled in accordance with relevant laws and regulations. The voted resolutions should be made included in the meeting minutes. The meeting minutes should be signed or stamped by the chairperson of the meeting and then released in accordance with the provisions of paragraph 3, Article 183 of the Company Act.

Chapter Four Board of Directors

Article 17: The Company shall have seven to nine directors and adopt a candidate nomination system, and the directors shall be elected at a shareholders' meeting from the list of director candidates for a term of three years and shall be eligible for re-election.

There shall be no less than three independent directors, and they shall represent no less than 1/5 of the number of directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to the independence of directors shall be prescribed by the competent authority in charge of securities. The total number of registered shares held by all the directors shall be subject to the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies."

Article 18: A chairman representing the Company is elected in a board meeting where more than two-thirds of directors are in attendance and more than half of the attending directors vote in favor, and a vice-chairman is also appointed to assist the chairman. Unless otherwise specified by the law, board meetings are convened by the chairman. However, the first meeting of each session of the board is convened in accordance with Article 203 of the Company Act. The notification specifying the reasons for the meetings can be made in writing or by email or fax. The chairman shall chair the board meetings.

Article 19: If the chairman asks for leave or fails to exercise rights and responsibilities for any reason, a representative shall be assigned in accordance with the provisions of Article 208 of the Company Act. Reasons shall be specified and every director shall be notified at least seven days before the convening of board meetings. Meetings can be called at any time in case of emergency. The notice of the convening of board meetings can be made in writing, e-mail or fax.

Article 19-1: Directors unable to attend the meetings may offer to provide a power of attorney signed or sealed, in accordance with the provisions of Article 205 of the Company Act, which specifies the scope of authorization and entrust other directors to attend the meetings as proxies.

Article 19-2: The Company has established an audit committee which is composed of all independent directors in accordance with Article 14-4 of the Securities and Exchange Act. There should be no less than three members on the Committee, and one of them shall serve as the convener. The Audit Committee or its members are responsible for performing the functions of supervisors specified in the Company Act, the Securities and Exchange Act and other regulations.

Article 20: The remuneration of all directors is determined at board meetings based on their level of participation in and contribution to the Company's operation. The remuneration follows the standard among industry peers.

The remuneration of independent directors shall be determined by the board based on the principle of the preceding paragraph, and independent directors are not eligible for the distribution of directors' remuneration and other bonuses.

The Company may purchase liability insurance for its directors and key personnel with respect to the liabilities they bear for their duties during the term of their services in accordance with the law. The board is authorized to handle the insurance matters with full authority.

Chapter Five Executive Managers

Article 21: The Company shall have one President, and a number of Vice President and Assistant Vice President positions. Their appointment, discharge and remuneration shall comply with Article 29 of the Company Act.

Chapter Six Accounting

Article 22: If the Company is profitable in the fiscal year, no less than 1% of the profit shall be allocated as bonuses for employees, and no more than 3% of the profit shall be allocated as remuneration for directors and supervisors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to make up for the losses.

A board resolution shall determine the distribution of employee remuneration in the form of stocks or cash. The distribution includes employees who meet certain criteria in controlled or subordinate companies. The board is authorized to formulate the relevant criteria.

The Company's board of directors is responsible for preparing the following statements and reports at the end of each financial year; these statements and reports must be submitted to the Audit Committee for review at least 30 days before the annual shareholders' meeting, and presented during the annual general meeting for ratification. The documents include (1) Business report; (2) Financial statements; and (3) Proposals for profit distribution or loss off-setting.

Article 22-1: The dividend policy determines the type, amount and timing of dividend distribution based on the Company's profitability, capital needs and financial structure, and with the goal of maintaining stable dividend payments.

Article 23: If the Company is profitable in the fiscal year, no less than 1% of the profit shall be allocated as bonuses for employees, and no more than 3% of the profit shall be allocated as remuneration for directors and supervisors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to make up for the losses.

A board resolution shall determine the distribution of employee remuneration in the form of stocks or cash. The distribution includes employees who meet certain criteria in controlled or subordinate companies. The board is authorized to formulate the relevant criteria.

Article 23-1: If the Company has any surplus in earnings at the end of the fiscal year, the Company shall first pay tax, make up for accumulated losses of previous years and then set aside 10% as legal reserve. However, if the legal reserve balance has reached the Company's paid-in capital, no more legal reserve should be provided, and the remainder may be appropriated or reversed as a special reserve in accordance with the law or the regulations of the competent authorities. If there is still surplus, the remainder shall be added to the accumulated undistributed earnings and the board of directors shall prepare an earnings distribution proposal. If the distribution is made by issuing new shares, the distribution shall be approved by the shareholders' meeting. Profits distributed for shareholders may be in the form cash or stocks, and the cash dividends shall not be less than 10% of the total shareholders' dividends for the current year.

If the Company distributes all or part of the dividends and bonuses or legal reserve and capital surplus in the form of cash, the Board of Directors is authorized to do so with the approval of a majority of directors present at a board meeting attended by at least two-thirds of the directors, and it shall then report it to the shareholders' meeting.

Depending on the scale of operations and changes in the market and economic environment, the board of directors should take into account the Company's future scale of operations and cash flow needs when drafting a profit distribution plan, and determine the most appropriate dividend policy distribution method.

Article 23-2: The transfer of treasury stocks to employees, the issuance of employee stock options, restricted employee shares and new shares through cash capital increase available for subscription by employees in accordance with the law may include employees of controlling or affiliated companies that meet certain criteria, and the board is authorized to determine the criteria and subscription method.

Chapter Seven Supplementary Articles

Article 24: Any outstanding issues not specified in the Articles of Incorporation are to be handled in accordance with the Company Act.

Article 25: The Articles of Incorporation were established on June 27, 1986.

The 1st amendment was made on October 9, 1986.

The 2nd amendment was made on November 15, 1986.

The 3rd amendment was made on April 16, 1987.

The 4th amendment was made on December 31, 1987.

The 5th amendment was made on March 16, 1988.

The 6th amendment was made on June 10, 1988.

The 7th amendment was made on October 3, 1988.

The 8th amendment was made on December 12, 1988.

The 9th amendment was made on January 5, 1989.

The 10th amendment was made on February 16, 1989.

The 11th amendment was made on March 1, 1989.

The 12th amendment was made on September 6, 1989.

The 13th amendment was made on December 18, 1989.

The 14th amendment was made on April 20, 1990.

The 15th amendment was made on June 20, 1991.

The 16th amendment was made on May 1, 1992.

The 17th amendment was made on May 29, 1993.

The 18th amendment was made on June 27, 1994.

The 19th amendment was made on September 5, 1994.

The 20th amendment was made on June 19, 1995.

The 21st amendment was made on June 27, 1996.

The 22nd amendment was made on May 30, 1997.

The 23rd amendment was made on July 27, 1998.

The 24th amendment was made on June 28, 1999.

The 25th amendment was made on August 26, 1999.

The 26th amendment was made on June 9, 2000.
The 27th amendment was made on June 27, 2001.
The 28th amendment was made on June 27, 2003.
The 29th amendment was made on June 11, 2004.
The 30th amendment was made on June 11, 2004.
The 31st amendment was made on August 29, 2005.
The 32nd amendment was made on June 30, 2006.
The 33rd amendment was made on June 15, 2007, but the provision of subparagraph 6, paragraph 1, Article 23 became applicable after the competent authority announced it effective (on January 1, 2008).
The 34th amendment was made on June 20, 2008.
The 35th amendment was made on June 26, 2009.
The 36th amendment was made on June 22, 2012
The 37th amendment was made on June 24, 2013.
The 38th amendment was made on September 6, 2013.
The 39th amendment was made on June 18, 2014.
The 40th amendment was made on June 22, 2015.
The 41st amendment was made on June 22, 2016.
The 42nd amendment was made on June 15, 2017.
The 43rd amendment was made on June 14, 2018.
The 44th amendment was made on June 28, 2019.
The 45th amendment was made on June 24, 2020.
The 46th amendment was made on August 27, 2021.
The 47th amendment was made on June 30, 2022.

JSL Construction & Development Co., Ltd.



Chairman: Wen-Yu Chu



JSL Construction & Development Co., Ltd.
Rules of Procedure of Shareholders' Meetings

Appendix 2

Article 1

These Rules have been established in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies in order to build a strong board governance system for shareholders meetings and robust supervisory capabilities and reinforce management capabilities for the Company.

Article 2

Unless otherwise specified by the law or the Articles of Incorporation, shareholder meetings of the Company shall proceed according to the terms of these Rules.

Article 3 (Convening shareholder meetings and shareholder meeting notices)

Unless otherwise specified by the law, shareholder meetings are to be convened by the board of directors. Any changes in the method of convening a shareholder meeting shall be resolved in a board meeting, and shall be completed no later than the dispatch of the meeting notice. The Company shall compile an electronic file that contains the meeting notice, a proxy form, a detailed description of the agenda to be ratified or discussed during the meeting, and notes on re-election or discharge of directors and post it onto the Market Observation Post System (MOPS) at least 30 days before an annual general meeting, or 15 days before an extraordinary shareholder meeting. At least 21 days before an annual shareholders' meeting or 15 days before an extraordinary shareholder meeting, an electronic copy of the shareholder meeting handbook and supplementary information shall be prepared and posted onto the MOPS. However, in the event that the Company's paid-in capital reaches NT\$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and investors in China reached 30% or more as recorded in the shareholder register at the time of the shareholder meeting in the most recent fiscal year, it shall upload the electronic file 30 days prior to the day on which the shareholder meeting is to be held. Physical copies of the shareholder meeting handbook and supplementary information shall be prepared at least 15 days before the meeting, and made accessible to shareholders upon request. These documents must also be placed on the Company's premises and at the shareholder services agency. The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

- I. Distributed on-site at the venue of the shareholder meeting.
- II. If the shareholder meeting is also available through teleconferencing, distribute the materials at the physical venue, and upload the electronic files to the teleconferencing platform.
- III. If the shareholder meeting is held solely by teleconferencing, the electronic files shall be uploaded to the teleconferencing platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election/discharge of directors, changes in the article of association, dissolution/merging/splitting of the company, or items pertaining to Article 185-1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed in the meeting proposals, and shall not be raised as extraordinary motions.

Shareholders who hold over 1% of total issued shares can use written methods to propose issues during the Company's regular shareholder's meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. Furthermore, if the issue raised by shareholders involves items outlined in Paragraph 4, Article 172-1 of the Company Act, the board of directors can omit the proposal.

The Company shall announce, before the book closure date of the annual shareholders' meeting, the conditions, places and time within which shareholders' proposals are accepted. The timing of acceptance must not be less than 10 days. Shareholders shall limit their proposed motions to 300 words only; proposals that exceed 300 words will not be accepted for discussion. Shareholders who have successfully proposed their motions shall attend the annual shareholders' meeting in person or by proxy and participate in the discussion.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. During the shareholders meeting, the board of directors shall explain the reasons why certain proposed motions are excluded from the discussion.

Article 4

For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Company and stating the scope of the proxy's authorization.

Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms must be received by the Company at least 5 days before the shareholder meeting. In cases where duplicate proxy forms are issued, the one that arrives first shall prevail. However, the shareholder can declare to cancel the proxy.

Should the shareholder decide to attend shareholder meeting personally or exercise voting rights in writing or by electronic means after a proxy form has been received by the Company, a written notice must be sent to the Company no later than two days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw the proxy arrangement before the due date, the vote of the proxy attendant shall prevail.

Should the shareholder decide to attend shareholder meeting by teleconferencing after a proxy form has been received by the Company, a written notice must be sent to the Company no later than two days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw the proxy arrangement before the due date, the vote of the proxy attendant shall prevail.

Article 5 (Principles determining the time and place of a shareholder meeting)

A shareholder meeting should be held at the location of the Company or a place convenient for the shareholders and suitable for the meeting occasion. The meeting should not commence earlier than 9am or later than 3pm. Independent directors' opinions on the meeting place and time shall also be fully considered. If the shareholder meeting is held by teleconferencing, it is not subject to the restriction on the venue as specified in the preceding paragraph.

Article 6 (Preparation of documents such as the attendance book)

The meeting notice shall specify details such as the check-in time, venue, and other important notes for shareholders, proxy solicitors and proxies (referred to as shareholders) where relevant.

Admission of meeting participants shall begin at least 30 minutes before the meeting commences. The reception area must be clearly marked and stationed with competent personnel. Check in to the teleconferencing platform of the shareholder meeting should be completed at least 30 minutes before the meeting starts, and those who complete the check-in are considered to have attended the meeting in person. Shareholders and their proxies (hereinafter referred to collectively as "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Company may not arbitrarily request further eligibility documents to be presented by shareholders in order to attend. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall provide an attendance register for the attending shareholders to sign in, or have the attending shareholders turn in their attendance cards to sign in.

The Company should deliver the meeting handbook, annual reports, attendance cards, speech notes, votes and other related information to the attending shareholders. Ballots should also be attached for electing directors. Where the shareholder is a government agency or corporate entity, more than one proxy may attend the shareholder meeting. Corporate entities that have been designated as proxy attendants can only appoint one representative to attend a shareholder meeting.

Shareholders who would like to attend a shareholder meeting held through teleconference should register with the Company at least two days before the shareholder meeting.

For shareholder meetings that are held by teleconferencing, the Company shall upload the meeting handbook, annual report and other relevant information to the teleconferencing platform of the shareholder meeting, and keep them disclosed until the end of the meeting.

Article 6-1

The shareholder meeting notice should specify the following matters if the meeting is also made available through teleconferencing:

- I. Methods of participation in the meeting through teleconferencing and for exercising their rights.
- II. In the event that participation in the teleconference is interrupted due to natural disasters, incidents or other force majeure events, the time and date to when the meeting shall be postponed or resumed if the abovementioned issues cannot be immediately resolved.
 - (I) Shareholders who have not registered to participate in the shareholder meeting by teleconferencing shall not participate in the postponed or resumed meeting.
 - (II) If the shareholder meeting cannot resume, and the total number of shares represented in attendance still meets the statutory quorum for the resolutions conducted after subtracting the number of shares that attended the meeting by teleconferencing, the meeting may still continue without needing a postponement or resumption. Shareholders who had attended the meeting via teleconference shall have their shares included in the total number of shares deemed to be in attendance at the meeting, but are considered to be abstaining from all motions presented in the meeting.
 - (III) The handling methods for when the results for all motions have been announced, and there are no extraordinary motions.
- III. Alternative measures taken for shareholders who may have difficulties joining the meeting by teleconferencing.

Article 7 (Chairperson of the Shareholders' Meeting and Observers)

When the chairman of the board is on leave or for any reason unable to exercise the powers of chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman is also on leave or for any reason unable to exercise the powers of vice chairman, the chairman shall appoint one of the managing directors to act; however, if there are no managing directors, one of the directors shall be appointed to act as chair. If no appointment is made by the chairman, the managing directors or directors shall select one person from among themselves to serve as the chair.

The chairperson position mentioned above shall be assumed by a managing director or director, who has been on the board for more than six months and possesses adequate understanding of the Company's financial and business performance. The same applies if the chairperson is a representative of a corporate director.

The shareholders' meeting convened by the board of directors shall be personally hosted by the chairman of the board. More than half of the directors, at least one supervisor and at least one representing member of each of the various functional committees shall attend the meeting, and the attendance shall be recorded in the meeting minutes.

For a meeting that is convened by someone with the convening authority outside of the board, the meeting should be chaired by such convening authority. One person should be selected to chair the meeting if there are more than two present.

The Company may summon its lawyers, certified public accountants, and any relevant personnel to be present at shareholder meetings.

Article 8 (The shareholders meeting shall be audio recorded or filmed and the files shall be archived)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

These recordings must be retained for at least one year. However, if a shareholder raises a litigious claim against the Company according to Article 189 of the Company Act, the abovementioned documents must be retained until the end of the litigation.

For the shareholder meetings held by teleconferencing, the Company shall retain records of the shareholders' registration, login, check-in, questioning, voting and vote counting results, etc., and make continuous and uninterrupted audio and video recording of the entire meeting.

The above-mentioned materials and audio and video recordings shall be properly retained by the Company during the period of existence, and they shall be provided to those who are entrusted with handling teleconferencing tasks.

If the shareholder meeting is to be held by teleconferencing, the Company should audio- and video-record the backend operation interface of the teleconferencing platform.

Article 9

Attendance at shareholders meeting shall be calculated based on shares. The number of shares in attendance is counted based on the submitted attendance cards and the shareholding reported on the teleconferencing platform, plus the shares that exercise written or electronic voting rights.

The chair is to call the meeting to order at the designated meeting time, and at the same time announce the number of non-voting rights and number of shares present and other relevant information. The chair is to call the meeting to order at the designated meeting time, but is to announce a postponement if the attending shareholders represent less than half of the total issued shares. The number of postponements is limited to two, totaling no more than 1 hour. The chair is to announce the meeting adjourned if still less than 1/3 of the total issued shares are present at the meeting after the second postponement. For a shareholder meeting held by teleconferencing, the Company shall announce the adjournment of the meeting on the teleconferencing platform.

If the quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act. The tentative resolution may be sent to all shareholders to notify them of another shareholder meeting is to be held within one month. Shareholders who wish to attend the shareholder meeting which is to be held by teleconferencing shall register with the Company in accordance with Article 6.

If the attending shareholders representing more than half of the total issued shares before the end of the meeting, the chair is to make a tentative resolution and re-submit it for a shareholder vote in accordance with Article 174 of the Company Act.

Article 10 (Discussion of motions)

The board should set the agenda for the meetings that it convenes. The meeting should be carried out based on the agenda, and should be not changed without the resolution of the shareholders.

The regulations of the preceding paragraph may be applied to a meeting of shareholders convened by a party that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall give sufficient explanation and opportunity to discuss the proposals and any amendments or extraordinary motions proposed by the shareholders, and when he/she is of the opinion that the motion is ready to be voted on, he/she may declare that the discussion closed and put proposals to vote.

Article 11 (Shareholders' statement)

Before speaking, the attending shareholders should first fill out speech notes clearly stating the purpose, account number (or the attendance pass number) or account name and allow the chair to determine the order of speaking.

The attending shareholders are considered to have offered no statement if they only provide the statement slips without speaking. In the event where the content of the statement is inconsistent with the speech note, the content of the statement should prevail. Each shareholder shall not make more than two statements for the same proposal without the chairman's agreement, and each statement shall not exceed five minutes. If a shareholder's statement violates the rules or exceeds the scope of the issue, the chairman shall halt the statement.

When a present shareholder is making a statement, other shareholders shall not speak unless permitted by the chairperson and the speaking shareholder. Violators shall be halted by the chairperson. Corporate shareholders who assign two or more legal representatives to attend the meeting may have only one person speak on a given motion.

After an attending shareholder speaks, the chairperson shall personally answer or designate a person to answer.

For shareholder meetings held by teleconferencing, the shareholders who attend the meetings by teleconferencing may raise their questions in writing on the teleconferencing platform after the chair announces the start of the meeting and before the chair announces the ending of the meeting. No more than two questions for the same motion should be allowed, and each question can have a maximum of 200 words. These do not apply to the requirements in Paragraph 1 to 5.

The abovementioned questions which do not violate the rules or do not exceed the scope of the motion should be disclosed on the teleconferencing platform as public knowledge.

Article 12: (Calculation of voting shares and recusal system) Voting rights in a shareholder meeting are calculated based on the number of shares represented.

The shares of the shareholders without voting rights are not counted in the total issued shares for the resolution of the meeting.

A shareholder who has a personal interest with the agenda of the meeting which may result in a conflict of interest with the Company shall not participate in the voting, nor shall he/she act on behalf of other shareholders to exercise the voting rights of other shareholders.

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

Other than the trusts or securities agencies approved by the authorities, a person representing more than two shareholders as a proxy cannot represent shares exceeding three percent of the total voting shares. The exceeded voting rights will not be counted.

Article 13

Every share represents one vote unless it is restricted or deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

Shareholders may exercise their voting power in correspondence or by electronic transmission in shareholder meetings, and the exercise method shall be specified in the notice of shareholders meetings. Shareholders exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, they are considered to have waived their rights with respect to the extraordinary motions and amendments to original proposals of that meeting. It is therefore recommended that the Company avoids the submission of extraordinary motions and amendments to original proposals.

Shareholders exercising voting rights by correspondence or electronic means shall deliver their declaration of intent to the Company at least two days before the shareholders meeting. If there is a repetition of the declaration of intent, the declaration delivered first shall prevail. Except in the case when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or by teleconferencing, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, no later two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. If a shareholder has exercised voting rights both by correspondence or electronic means and has also appointed a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Unless otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. The chair or the designated personnel shall announce the total number of the eligible voting rights of the attending shareholders case by case before the voting. On the same day of the meeting, the voting tallies, including those in favor, those against, and those abstaining, shall be entered into the Market Observation Post System.

For an amendment or substitution of the same motion, the chair is to combine it with the original motion to determine the vote order. If one of the motions has been passed, the other motions are viewed as rejected and no more voting will be conducted.

The monitoring and counting personnel for the voting should be assigned by the chair, and the monitoring personnel should have shareholder status.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and made into record.

After the chairperson announces the start of the meeting, the shareholders who participate in the meeting through teleconferencing shall conduct voting on various motions and elections through the teleconferencing platform, and must complete the voting before the chairperson announces the close of voting. Those who do not complete the voting before the announced ending time are considered to be in abstention.

For shareholder meetings held by teleconferencing, the votes shall be counted once after the chair announces the close of voting, and the results of the voting and election will be announced.

Those who exercise their voting rights by correspondence or by electronic means without withdrawing their declaration of intent and participate in shareholder meetings by teleconferencing shall not exercise their voting rights on the original motion, propose amendments to the original motion or exercise their voting rights on the revision of the original motion, except for extraordinary motions.

For shareholder meetings also held by video-assisted methods, shareholders who have already registered to attend the meetings by teleconferencing in accordance with the provisions of Article 2 but wish to attend the physical meetings shall take the procedures same as the registration to cancel their registration at least two days before the meeting. Those who fail to cancel the registration on time can only attend the meetings by teleconferencing.

Those who exercise their voting rights by correspondence or by electronic means without withdrawing their declaration of intent and participate in shareholder meetings by teleconferencing shall not exercise their voting rights on the original motion, propose amendments to the original motion or exercise their voting rights on the revision of the original motion, except for extraordinary motions.

Article 14 (Election matters)

Shareholder meetings that involve the election of directors shall proceed according to the Company's election policy. Results of the elections, including the list of elected directors and the final tally, must be announced on-site.

All ballots used in the above election shall be sealed and signed by the ballot examiner, and held in proper custody for at least one year. However, if a shareholder raises a litigious claim against the Company according to Article 189 of the Company Act, the abovementioned documents must be retained until the end of the litigation.

Article 15

Minutes of the resolutions of the shareholders' meeting shall be prepared and signed or sealed by the chairman and then distributed to each shareholder within twenty days after the meeting. The production and the distribution of the resolution record can be made electronically.

The distribution of the aforementioned resolutions can be entered into the Market Observation Post System to be publicly announced.

The resolution proceedings should correctly record the year, month, day, venue, name of the chair, voting method, the essentials of the proceedings and the voting results (including the statistical weights). If there is an election of directors and supervisors, the votes received by each nominee shall also be disclosed. These records are to be kept permanently during the Company's existence. These records are to be kept permanently during the Company's existence.

The minutes of a shareholder meeting held by teleconferencing should record the items mentioned in the preceding paragraph, the starting and ending time of the meeting, the convening method of the meeting, the name of the chairperson and the meeting minute taker, and the measures taken when the teleconferencing platform or the teleconference experiences natural disasters, incidents or force majeure.

A shareholder meeting held by teleconferencing should follow the procedures mentioned in the preceding paragraph, and the meeting minutes should also specify the alternative measures taken for shareholders who may have difficulties joining the meeting by teleconferencing.

Article 16 (Public disclosure)

The number of shares owned by the solicitors, the entrusted proxies and shareholders attending the shareholder meeting in writing or electronically is compiled into a chart with a prescribed format on the meeting day and is disclosed clearly at the meeting venue. For shareholder meetings that are held by teleconferencing, the Company shall upload the above information to the teleconferencing platform at least 30 minutes before the start of the meeting, and shall keep them disclosed until the end of the meeting. When a shareholder meeting held by teleconferencing commences, the number of voting rights of the attending shareholders is disclosed on the teleconferencing platform. The same applies to when the total number of shares of the shareholders in attendance and the number of voting rights in attendance are compiled again during the meeting.

The Company must disclose on MOPS in a timely manner any shareholder meeting resolutions that constitute material information as defined by law or the rules of Taiwan Stock Exchange Corporation (or Taipei Exchange).

Article 17 (Maintaining order at the meeting venue)

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands. The chair may direct proctors or security personnel to help maintain order at the meeting venue. The proctors or security personnel help maintaining order at the meeting place shall wear an armband or identification card bearing the word "Proctor."

For venues that are equipped with broadcasting equipment, the chairman shall halt any shareholder that make statements from equipment not allocated to the Company.

Shareholders in violation of the rules and disobeying correction by the chair to disrupt the meeting are asked to leave the venue and will be escorted out by the proctors or the security personnel.

Article 18 (Recess and resumption)

The chair may announce a break time during the meeting at his/her discretion. The chair is to rule a meeting suspension due to force majeure when necessary and announce another time to resume the meeting as appropriate.

If the meeting venue is no longer available for use before all agenda issues of the shareholders meeting (including extraordinary motions) are addressed, the shareholders meeting shall determine another venue to resume the meeting.

The shareholders may decide to postpone or continue the meeting within five days in accordance with Article 182 of the Company Act. Article 19

For shareholder meetings that are held by teleconferencing, the Company immediately discloses the voting results of motions and election results to the teleconferencing platform of the shareholder meeting in accordance with the regulations, and keeps them disclosed for at least another 15 minutes after the chair announces the ending of the meeting.

Article 20

Both the chairperson and the meeting minute keeper shall be at the same domestic location when holding teleconferencing shareholder meetings, and the chair should announce the address of the place at the beginning of the meeting.

Article 21

For shareholder meetings that are held by teleconferencing, the Company shall provide shareholders with a simple connection test before the meeting, and provide relevant services before and during the meeting to resolve technical communication problems.

For shareholder meetings that are held by teleconferencing, the chairperson should announce at the start of the meeting that except when there is no need to postpone or continue the meeting in accordance with Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. The provisions of Article 182 of the Company Act are not applicable if the video conferencing platform or the participation in the video conferencing is obstructed due to natural disasters, incidents or other force majeure events, and lasts for more than 30 minutes, and the date to which the meeting shall be postponed or continued is within five days.

In the event of a meeting postponement or resumption in the preceding paragraph, shareholders who have not registered to participate in the shareholder meeting by teleconferencing shall not participate in the postponed or resumption of the meeting.

In accordance with the provisions of Paragraph 2 for meeting postponement and resumption, shareholders who have registered and completed the check-in to the original meeting by teleconferencing, but do not participate in the postponed or resumed meeting, shall have their shares and all those presented at the original shareholder meeting included in the total number of share for voting rights and election rights already exercised and for those voting rights and election rights of the postponed or resumed meeting.

For the shareholder meeting that is postponed or resumed in accordance with the provisions of Paragraph 2, it is not necessary to re-discuss or resolve the motions for which voting and counting of votes has been completed and the voting results and the election of directors and supervisors have been announced.

If the teleconference shareholder meeting cannot resume as described in Paragraph 2, and the total number of shares represented in attendance still meet the statutory quorum for the convening of the meeting after subtracting the number of shares that attended the meeting by teleconferencing, the meeting should still continue without needing a postponement or resumption in accordance with Paragraph 2.

In the event of a meeting resumed as described in the preceding paragraph, for shareholders who originally attended the shareholder meeting by teleconferencing, their shares are counted in the total of shares deemed to be attending the meeting, but they are considered to be abstaining from all motions presented in the meeting.

If the Company postpones or resumes the meeting according to the provisions of Paragraph 2, the relevant preparation should be conducted based on the date of the original shareholder meeting in accordance with Paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

In accordance with the period specified by the 2nd half of Article 12 and Paragraph 3, Article 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and Paragraph 2, Article 44-5, Article 44-15 and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the date of the shareholder meeting in accordance with the provisions of Paragraph 2.

Article 22

Alternative measures should be taken for shareholders who may have difficulties joining the meeting by teleconferencing.

Article 23

These Rules are to be announced and implemented after being approved by the shareholders' meeting, and likewise for the revision.

JSL Construction & Development Co., Ltd.

Board Meeting Rules of Procedures

Appendix 3

- Article 1 The Company has formulated the “Board Meeting Rules of Procedures” in accordance with Paragraph 8, Article 26-3 of the Securities and Exchange Act for compliance.
- Article 2 The Company shall formulate the Board Meeting Rules of Procedures, which include the main agenda items, working procedures, required content of meeting minutes, public notices, and other compliance requirements that shall be handled in accordance with the provisions of these Rules.
- Article 3 Board meetings are held at least once a quarter as stipulated in the Rules of Procedures.
- Reasons shall be specified and every director and supervisor shall be notified at least seven days before the convening of board meetings. Meetings can be called at any time in case of emergency.
- The meeting notice can be made electronically if agreed upon by the counterparty.
- All matters set forth under paragraph 1, Article 7 of the Rules of Procedures shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reasons.
- Article 4 A board meeting shall be held at the premises and during the business hours of the Company, or at a place and time convenient for all directors to attend and suitable for holding board meetings.
- Article 5 The Finance Department shall be the designated unit responsible for organizing board meetings of the Company.
- The unit responsible for board meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.
- A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.
- Article 6 Agenda items for regular board meetings of the Company shall include at least the following:
- I. Report items:
- (I) Minutes of the last meeting and actions taken.
 - (II) Important financial and business matters.
 - (III) Internal audit activities.
 - (IV) Other important matters to be reported.

II. Discussion items:

- (I) Items for continued discussion from the last meeting.
- (II) Items for discussion at this meeting.

III. Extraordinary motions.

Article 7

The following matters shall be discussed in the Company's board meetings:

- I. The Company's business plan.
- II. Annual financial reports and semi-annual financial reports. Exceptions can be made for semi-annual financial reports that, in accordance with the law, are not required to be audited and certified by CPAs.
- III. Establish or amend the internal control protocols, and the evaluation of the effectiveness of the internal control protocols in accordance with Article 14-1 of the Securities and Exchange Act.
- IV. Establish or amend procedures of material financial or business transactions, such as acquisition or disposal of assets, engaging in derivatives trading, lending funds to others, endorsements or guarantees to others, in accordance with Article 36-1 of the Securities and Exchange Act.
- V. The offering, issuance, or private placement of equity-type securities. VI. The appointment or discharge of financial, accounting, or internal audit officers.
- VII. A donation to a related party, or a major donation to a non-related party. However, public welfare donations for the emergency relief of major natural disasters may be ratified in the next board meeting.
- VIII. Matters to be resolved by shareholder meetings or board meetings or material matters specified by the authority in accordance with Article 14-3 of the Securities and Exchange Act, other laws and regulations or the Articles of Incorporation.

The term “related-party” in Subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term “major donation to a non-related party” means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The “one-year” timeframe mentioned in the preceding paragraph dates back one year from the date of the board meeting. Transactions that have already been passed by the board resolution can be excluded.

In the event where shares of foreign companies have no par value or a par value other than NT\$10, the calculation of transaction amounts of 5% of paid-in capital will be substituted by 2.5% of shareholders' equity.

At least one independent director shall attend the meeting in person. With respect to the matters which must be approved by the board resolution as provided in the first paragraph, all independent directors shall attend the meeting. If an independent director is unable to attend the meeting in person, that independent director shall appoint another independent director to attend the meeting as proxy. An independent director who cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there are some legitimate reasons to do otherwise. The opinion shall be specified in the minutes of the board of directors meeting.

Article 8 In addition to the matters in Paragraph 1 that shall be submitted to the board for discussion, the level and content of authorization of the board in accordance with the laws or the Articles of Incorporation should be clearly defined.

Article 9 When a board meeting is held, an attendance register shall be provided for signing-in by attending directors, which shall be made available for future reference.

Directors shall attend board meetings in person. A director unable to attend in person may entrust another director to attend the meeting in his or her place in accordance with the Company's Articles of Incorporation. Attendance by teleconferencing will be deemed as attendance in person.

A director who entrusts another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in the abovementioned Paragraph 2 may be the appointed proxy of only one person.

Article 10 If the meeting of the board of directors is convened by the chairman, the meeting will be chaired by the chairman. However in the first meeting of each term of the board of directors, the chairperson shall be the convener who receives the most voting rights in the shareholders meeting. If there are two or more conveners entitled to convene the meeting, one person shall be elected to chair the meeting.

In accordance with Paragraph 4 of Article 203 or Paragraph 3 of Article 203-1 of the Company Act, if the board meeting is convened by directors who receive a majority votes at the shareholders meeting, the directors shall elect one person to be the chairperson of the board meeting.

The vice-chairman is to chair the meeting on behalf of the chairman if the chairman takes the day off or for any reason cannot exercise power. The chairman is to appoint a managing director on behalf of the vice-chairman if there is no vice-chairman or if the vice-chairman cannot attend the meeting due to the aforementioned reasons. A director is assigned as the chairperson if there are no managing directors. In the event the chairman does not appoint anyone, the managing directors or the directors are to recommend one person.

- Article 11 As merited by the content of a proposal to be put forward at a board meeting, personnel from relevant departments or subsidiaries may be notified to attend the meeting as non-voting participants.
- When necessary, the Company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements. However, they shall leave the meeting when deliberation or voting takes place.
- Article 12 If half of all the directors are not in attendance at the appointed meeting time, the chair may postpone the meeting, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Paragraph 2 of Article 3.
- The number of “all directors,” as used in the preceding paragraph and in Subparagraph 2, Paragraph 2 of Article 17, shall be counted as the number of directors then actually in office.
- Article 13 A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.
- The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.
- At any time during the course of a board meeting, if the number of directors present at the meeting does not constitute a majority of the total number of directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Paragraph 1 of the preceding article shall apply.
- Article 14 The chair is to stop discussion and announce voting for a motion that the chair deems ready to be voted upon
- When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved.
- Voting on proposals at board meetings is conducted according to these Rules of Procedure. Except for the case of unanimous consent of all directors present at the meeting upon inquiry by the chair, the methods of vote monitoring and counting shall also be specified.
- Attending directors, as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Paragraph 1 of Article 16.
- Article 15 Except as otherwise stated in the Rules of Procedure or in the Company Act, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at a meeting attended by a majority of all directors.

Article 16 If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

If the director's spouse or blood relatives within the second-degree or the companies with which the director has a controlling or affiliation relationship are considered interested with the issues to be discussed at the board meeting, the director is also considered to be interested.

The provisions of Paragraph 2 of Article 180 of the Company Act, as applied mutatis mutandis under Paragraph 4 of Article 206 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.

Article 17 Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

I. Session (or year), time, and place of meeting.

II. The name of the chairperson.

III. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent. IV. The names and titles of those attending the meeting as non-voting participants.

V. The name of the minute taker. VI. The matters reported at the meeting.

VII. Discussion items: The method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under paragraph 5, Article 7.

VIII. Extraordinary motions: The name of the proposer; the method of resolution and the result for each motion; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.

IX. Other matters required to be recorded.

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

1. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.
2. If the company has an audit committee, any matter that has been adopted with the approval of two-thirds or more of all board directors but without having been passed by the audit committee. The attendance register constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of the Company. The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within twenty days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company. The meeting minutes of Paragraph 1 may be produced and distributed electronically.

Article 18 Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.

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

Where a board of directors meeting is held via tele- or video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the company.

Article 19 If the board has managing directors, the rules of procedures for managing directors' meetings will comply with the provisions of Article 2, Paragraph 2 of Article 3, Articles 4 to 6, Article 9 and Article 11 to Article 18. However, when meetings of the board of managing directors are held at regular intervals of 7 days or less, notices of such meetings may be given to each managing director 2 days before the meeting.

Article 20 The Rules of Procedure were formulated by the board on March 28, 2007.

The 1st amendment was made on June 20, 2008.

The 2nd amendment was made on June 26, 2009.

The 3rd amendment was made on June 24, 2013.

The 4th amendment was made on November 9, 2017.

The 5th amendment was made on March 30, 2020.

JSL Construction & Development Co., Ltd.

Rules for Election of Directors

Appendix 4

Article 1: Unless otherwise specified by the law or the Articles of Incorporation, election of the Company's directors shall proceed according to the procedures stated herein.

Article 2: The cumulative voting method shall be used for election of the directors. 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, which shall then be 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. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Shareholders may exercise voting rights in writing or by electronic methods for the Company's shareholder meetings.

Votes are counted as a sum of ballots cast on-site by shareholders and the number of votes exercised through electronic methods.

Article 3: The number of directors will be as specified in the Company'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.

Article 4: Before the election begins, the chairperson shall appoint several shareholders to undertake the roles of ballot examiner and ballot counter to assist in the election. The ballot box will be made available by the board of directors, and shall be opened for inspection by the ballot examiner prior to voting. The board of directors shall produce ballots in quantities that match the number of directors to be elected, and distribute them to attending shareholders. Conference pass serial numbers can be printed on the ballot for identification purposes instead of the voter's name.

Shareholders who wish to exercise their voting rights by electronic voting shall do so on the electronic voting platform designated by the Company.

Article 5: The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

- I. The ability to make judgments about operations.
- II. Accounting and financial analysis.
- III. Business administration.
- IV. Crisis management.
- V. Industry knowledge.
- VI. Perspective of the global market.
- VII. Leadership.
- VIII. Decision making.

More than half of the Company's board members shall consist of persons who are neither a spouse nor a second-degree relative or closer to any director.

Article 5-2: Independent directors are subject to the eligibility criteria specified in Articles 2, 3 and 4 of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”

Elections of independent directors are subject to compliance with Articles 5, 6, 7, 8 and 9 of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” and Article 24 of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”

Article 5-3: The election of directors shall adopt the nomination approach in accordance with Article 192-1 of the Company Act.

In order to examine the qualifications, education background and work experience of director candidates and whether there are any circumstances listed in Article 30 of the Company Act, no other qualifications shall be arbitrarily added to the submission, and the review results should be provided to shareholders for reference so that suitable directors can be elected.

If the Company has less than five active directors at any given time due to dismissal, a by-election shall be held in the upcoming shareholder meeting to fill the open position. However, if the shortfall amounts to one-third of the minimum seats mentioned in the Articles of Incorporation, the Company shall convene an extraordinary shareholder meeting within the next 60 days to elect candidates for the shortfall.

If the number of independent directors falls short of the requirements stated in Paragraph 1, Article 14-2 of the Securities and Exchange Act, or Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, or Subparagraph 8 of Taipei Exchange “Standards for Determining Unsuitability for TPEX Listing under Article 10, Paragraph 1 of the Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEX,” a by-election shall be held in the upcoming shareholder meeting. If all independent directors have been dismissed from duty, the Company shall convene an extraordinary shareholder meeting within the next 60 days to elect candidates.

Article 6: If the candidate is a shareholder, voters will have to specify the name of candidate, shareholder account name and ID number in the “candidate” field of the ballot. If the candidate is not a shareholder, the candidate's name and ID card number will have to be specified instead. However, if the candidate is a government agent or a corporate shareholder, the name of the government agency or corporation shall be specified in the “candidate” field of the ballot; alternatively, voters may also specify the name of the government agency or corporation and the name of its representative. If there are multiple representatives, the names of all representatives shall be specified in the ballot.

Article 7: Ballots are considered void in any of the following circumstances:

- (I) Voting without using ballots prepared by the board of directors.
- (II) Casting of a blank ballot into the ballot box.
- (III) Blank ballot papers that have not been filled in by voters.
- (IV) The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.

(V) Ballots that contain writing other than the candidate's account name and shareholder account number (or identity document number).

(VI) The candidate's name written in the ballot coincides with another shareholder, but no shareholder account number or ID card number is provided for identification.

Article 8: The ballots shall be counted during the shareholders' meeting immediately after they are cast. The results shall be announced by the chairperson or the designated personnel. All ballots used in the election shall be sealed and signed by the ballot examiner, and held in proper custody for at least one year, or in the event where shareholders have filed for litigation pursuant to Article 189 of the Company Act, retained until the litigation has concluded.

Article 9: The elected directors are given certificates of election after the conclusion of the voting.

Article 10: Any outstanding issues not specified in the policy are to be handled in accordance with the Company Act and the related regulations.

Article 11: The election rules shall take effect once approved during a shareholder meeting. The same applies to all subsequent revisions.

Impact of Stock Dividends on the Company's Operating Performance, Earnings Per Share and Return on Shareholders Equity

Appendix 5

Item	Year	2022 (Estimated)	
Opening Paid-In Capital (NT\$ thousands)		2,660,790	
Stock and Cash Dividends for the Year	Cash dividend per share (NT\$)	1.5	
	Capitalization of profits to issue new stock (Share)	0.25	
	Number of shares issued due to capitalization of capital surplus (shares)	0.1	
Change in business performance:	Operating profit (NT\$)	Not applicable (Note)	
	Year-on-year % increase (decrease) in operation profits		
	Net income after tax (NT\$)		
	Year-on-year % increase (decrease) in net income after taxes		
	Earnings per share (NT\$)		
	Year-on-year % increase (decrease) in earnings per share		
	Annual average return on investment (reciprocal of annual average P/E ratio)		
Pro forma earnings per share and P/E ratio	Capitalization of profits is distributed in cash dividends	Pro forma earnings per share (NT\$)	Not applicable (Note)
		Pro forma annual average return on investment	
	Without capitalization of capital surplus	Pro forma earnings per share (NT\$)	
		Pro forma annual average return on investment	
	Without capitalization of capital surplus and the capitalization of profits is distributed in cash dividends	Pro forma earnings per share (NT\$)	
		Pro forma annual average return on investment	

Note: Not applicable as the Company has not yet released the 2022 financial forecast information.

JSL Construction & Development Co., Ltd.
Directors' Shareholding Position

Appendix 6

* Base date (book-closure date of the annual general meeting): May 2, 2022

Job title	Name	Number of Shares Held
Chairman	Chu ,Wen-Yu	63,523,000
Director	Representative of Chu Yuan Industrial Co., Ltd. – Chang, Chin-Tsai	55,480,169
Director	Representative of Chu Yuan Industrial Co., Ltd. -- Chang ,Yin-Chu	55,480,169
Director	Yi-Feng International Development Co., Ltd. -- Mao-Yen Hsu	22,532
Independent Director	Hu, Hsiang-Chi	0
Independent Director	Tsai, Ru-Chun	0
Independent Director	Chang, Chih-Hung	0
Overall Directors' Shareholding Position		119,025,701

Remarks: 1. As of the base date, the Company has issued a total of 290,079,000 of ordinary shares.

2. The legal minimum number of shares of all board members: 12,000,000 shares. As of the base date, the total number of shares held by all shareholders is 119,025,701 shares, which complies with Article 26 of the Securities and Exchange Act.