



ACTER GROUP CORPORATION LIMITED
2023 Annual General Shareholders' Meeting Minutes

Time : 09:00 a.m on Thursday, 25 May, 2023

Method : Visual communication assisted shareholders meeting

Place : B2F, No.201, Sec. 2, Wenxin Rd., Xitun Dist., Taichung City 407, Taiwan
(SWEETEN PLAZA's international hall)

Platform of virtual meeting : The e-Meeting platform of TDCC

(<https://www.stockvote.com.tw/evote/index.html>)

Attendants : A total of 86,679,347 shares were represented by shareholders, accounting for 71.01% of the company's total outstanding shares, which stands at 122,062,795 shares. Of these, 23,889,583 votes casted electronically and 96,704 votes casted through the e-Meeting platform.

Chairman : Liang, Chin-Li

Recorder : He, Sin-Wen

Attendee : Yang, Jung-Tang, Director

Hu, Tai-Tsen, Director

Yeh, Hui-Hsin, Independent Director (Convener of Audit Committee and member of Remuneration Committee and Nominating Committee)

Wang, Mao-Rong, Independent Director (Member of Audit Committee, Remuneration Committee and Nominating Committee)

Yang, Qian (Convener of Remuneration Committee and Nominating Committee and member of Audit Committee)

Huang, Tzu-Pei, Independent Director (Member of Audit Committee, Remuneration Committee and Nominating Committee)

Attending as Delegates :

Lai, Ming-Kun, President

Wang, Chun-Sheng, President

Tsao, Yun-Han, CFO & Chief corporate governance officer

Chen, Cheng-Hsueh, CPA

Wang, Shu-Rong, Attorney

1. Call the Meeting to Order : The aggregate shareholders of shareholders present in person or by proxy constituted a quorum. The chairman called the meeting to order.

2. Chairperson Remarks : (omitted)

3. Report Items

Report No. 1 : To report the distribution of 2022 employee and director compensation. (Proposed by the Board of Directors)

Explanation :

- (1) The Board of Directors resolved that when distributing the surplus profits for each fiscal year, the company shall first offset its losses of previous years and set not less than three percent of the profit before tax excluding the amount of employees' and directors' compensation as compensation to employees; and then set not more than five percent of the profit before tax excluding the amount of employees' and directors' compensation as compensation to directors. Independent directors shall be excluded from distribution.
- (2) The company proposed to allocate 6% for employee compensation (not less than 3%) in the amount of NTD 150,091,911. It also planned to allocate 3% for the compensation of directors (not higher than 5%) in the amount of NTD 75,045,955.

Report No. 2 : To report 2022 Business Report. (Proposed by the Board of Directors)

Explanation : The 2022 Business Report is attached as Attachment 1 and Attachment 2.

Report No. 3 : Audit Committee’s Review Report of 2022 Financial Statements.
(Proposed by the Board of Directors)

Explanation : The 2022 Audit Committee’s Review Report is attached as Attachment 3.

Report No. 4 : To report the distribution of 2022 cash dividends. (Proposed by the Board of Directors)

Explanation : According to the company’s “Articles of Incorporation,” the board of directors is authorized to approve semiannual cash dividends after the end of each half fiscal year. The distribution of 2022 cash dividends is demonstrated in the table below:

Period	Date of the resolution by the board of director	Payment date	Cash Dividends Per Share (NTD)	Total Amount (NTD)
First half	Nov. 04, 2022	Feb. 24, 2023	3.42416199	402,696,280
Second half	Feb. 24, 2023	To be resolved	8.5	1,012,987,908
Total			11.92416199	1,415,684,188

Report No. 5 : To report 2022 Corporate governance report. (Proposed by the Board of Directors)

Explanation: The 2022 Corporate governance report is attached as Attachment 4.

Report No. 6 : To report the 2022 annual operation of Audit Committee and its communication with the company’s chief internal auditor. (Proposed by the Board of Directors)

Explanation: The 2022 annual operation report of Audit Committee and its communication with the company’s chief internal auditor is attached as Attachment 5.

Report No. 7 : To report the connection and reasonableness between the compensation policy of the directors and managerial officers and

performance assessment results in 2022. (Proposed by the Board of Directors)

Explanation :

- (1) The company's compensation procedures for directors and managerial officers are based on the "Rules for Performance Evaluation of Board of Directors and Functional Committees" and "Employee appraisal guidelines." In addition to referring to the company's business performance, future risks, development strategies and industry trends, it also considers individual's contribution made to the company and provides reasonable compensation. Director's compensation policy and individual's compensation is attached as Attachment 6.
- (2) According to the correlation analysis between the average compensation and performance assessment of the directors in the industry, it is shown that the company's compensation level of directors is within a reasonable range and the 2022 compensation of directors is maintained at a ratio of not higher than 5% of the profit before tax excluding the amount of employees' and directors' compensation, which is consistent with the company's Articles of Association.
- (3) According to the analysis of the annual reports in the industry, the company's compensation for managerial officers is positively correlated with the overall performance contribution and future risks. The 2022 compensation for managerial officers is maintained at a ratio of not less than 3% of the profit before tax excluding the amount of employees' and directors' compensation, which is consistent with the company's Articles of Association.

Report No. 8 : To report the amendment of "Rules of Procedure for Board of Directors Meeting." (Proposed by the Board of Directors)

Explanation: In order to conform to the amendments of related commercial laws, the company hereby amended “Rules of Procedure for Board of Directors Meeting.” Please refer to Attachment 7 for details.

4. Proposals

Proposal No. 1 : Adoption of the 2022 Business Report and Financial Statements.
(Proposed by the Board of Directors)

Explanation :

- (1) Acter Company’s Financial Statements, including the balance sheet, statement of comprehensive income, statement of change in equity, and statement of cash flows, were audited by independent auditors, Chen, Cheng-Hsueh CPA and Lu, Chien-Hui CPA of KPMG Firm. Also Business Report and Financial Statements have been approved by the Board held on Feb. 24, 2023 and examined by the Audit Committee of Acter Company.
- (2) The 2022 Business Report, independent auditors’ report, and the above-mentioned Financial Statements are attached as Attachment 1 and Attachment 2.

Voting Results : Sharers represented at the time of voting : 86,679,347 votes

Voting Results	% of the total represented shares present
81,774,335 votes in favor (including 19,138,641 votes casted electronically and 0 votes casted through the e-Meeting platform)	94.34%
2,732 votes against (including 2,732 votes casted electronically and 0 votes casted through the e-Meeting platform)	0.00%
0 votes invalid	0.00%
4,902,280 votes abstained (including 4,748,210 votes casted electronically and 96,704 votes casted through the e-Meeting platform)	5.65%

Resolved : The above proposal be and hereby was approved as proposed.

Proposal No. 2 : Adoption of the Proposal for Distribution of 2022 Profits.
(Proposed by the Board of Directors)

Explanation : Please refer to the 2022 Profit Distribution Table as follows.

ACTER GROUP CORPORATION LIMITED
PROFIT DISTRIBUTION TABLE
Year 2022

Unit : NTD

Beginning retained earnings	1,398,743,835
Add: net profit after tax	1,933,121,685
Add: remeasurements of defined benefit plans	5,206,567
Less: 10% legal reserve	193,832,825
Add: Reversal of special reserve	70,237,866
Distributable net profit	3,213,477,128
Distributable items: (Note1)	
1H22 Cash Dividend to shareholders (3.42416199 per share)	402,696,280
2H22 Cash Dividend to shareholders (8.5 per share)	1,012,987,908
Unappropriated retained earnings	1,797,792,940

Note1: Pursuant to Article 27 of the Articles of Incorporation of the Company, it has been resolved by the board of directors and reported to this shareholder's meeting. Please refer to Report No. 4.

Note2: Total amount of 2H22 cash dividend to shareholders of NTD 1,012,987,908 is calculated based on the total number of shares that can participate in the distribution of 119,175,048 shares. (114,934,623 shares issued plus 4,240,425 shares that converted from the 1st domestic unsecured convertible bonds but not be registered yet until Feb. 15, 2023.) NTD 8.5 per share. The total amount paid to each shareholder shall be in whole NT dollars and any fractional amount less than one NT dollar shall be rounded to the next NT dollar.

Note3: If the 2H22 cash dividend payout ratio is affected as a result of changes to the company's outstanding shares due to any reason before the distribution record date and needs to be revised, the chairman is fully authorized to handle such matter.

Voting Results : Sharers represented at the time of voting : 86,679,347 votes

Voting Results	% of the total represented shares present
81,897,990 votes in favor (including 19,262,296 votes casted electronically and 0 votes casted through the e-Meeting platform)	94.48%
39,147 votes against (including 39,147 votes casted electronically and 0 votes casted through the e-Meeting platform)	0.04%
0 votes invalid	0.00%
4,742,210 votes abstained (including 4,588,140 votes casted electronically and 96,704 votes casted through the e-Meeting platform)	5.47%

Resolved : The above proposal be and hereby was approved as proposed.

5. Questions and Motions : None.

6. Adjournment : The meeting adjourned at 9:25 a.m.

No shareholder questions in this shareholder meeting.

(This meeting minutes records only the essential points of the proceedings and the results of the meeting in accordance with paragraph 4, Article 183 of the Company Act. The meeting audio recording shall prevail regarding the meeting content, proceedings, and shareholders' statements.)

Chairman : Liang, Chin-Li



Recorder : He, Sin-Wen



Attachment 1: Business Report

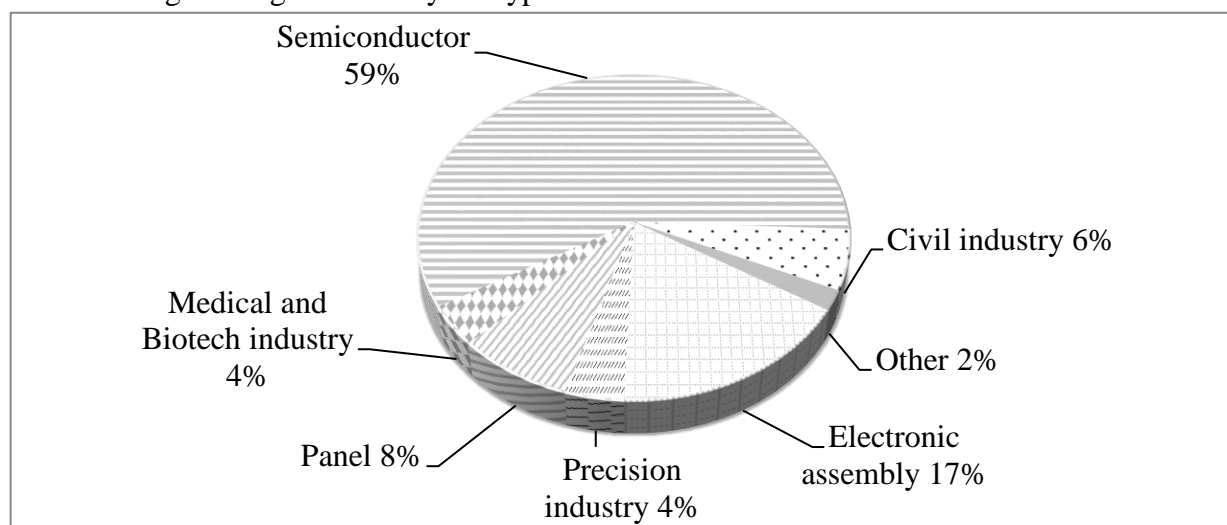
ACTER GROUP CORPORATION LIMITED 2022 Business Report

1. 2022 Business results

(1). Business plan implementation results

Acter group continues to optimize the efficiency of project, accurate control the material delivery schedule, modularize the production workflow, satisfy the project complete schedule of the diverse scale projects for the Cleanroom and Electro-Mechanical Integration Engineering from the main clients of diverse industries. In addition, in recent years, under the trend of global supply chain deglobalization, push the multi-industries increase the capital expenditure for new factories expansion and expand production lines, which increased the group's order amount and has contributed to the growth of the overall revenue performance. Consolidated revenue of 2022 achieves NTD 28.26 billion, hitting a record-high, and has an increase of 40% compared to last year. In terms of profitability, the net profit after tax reached NTD 1.93 billion, attaining 61% growth compared to last year.

Ratios of engineering turnover by the type



Unit : In thousands of New Taiwan Dollars

Items	2022	2021	%
Operating revenue	28,262,385	20,217,225	39.79
Operating cost	23,484,234	16,934,426	38.68
Gross profit	4,778,151	3,282,799	45.55
Operating expenses	1,455,622	1,143,540	27.29
Operating income	3,322,529	2,139,259	55.31
Non-Operating income and expenses	97,417	39,242	148.25
Income before income taxes	3,419,946	2,178,501	56.99

(2). State of budget implementation

This item is not applicable since Acter has not disclosed any financial forecasts.

(3). Financial structure and profitability

Items		2022
Financial structure	Ratio of liabilities to assets (%)	60.17
	Ratio of long-term capital to fixed assets (%)	1,828.03
Solvency	Current ratio (%)	173.38
	Quick ratio (%)	115.81

Items		2022	
Profitability	Return on total assets (%)	11.02	
	Return on stockholders' equity (%)	27.62	
	Ratio to issued capital (%, Note1)	Operating income	43.80
		Pre-tax income	45.08
	Profit ratio (%)	8.84	
Earnings per share (\$, Note2)	16.84		

Note1: In the case of shares issued by a company with no par value or a par value other than NT\$10 per share, the calculation of ratio of the paid-in capital shall be replaced by ratio of the equity attributable to owners of the parent.

Note2: The company's par value per share is NT\$5.

(4).Research and development

The department in charge of technology, research, and development continued to develop different innovative techniques for different industries and projects taking advantage of value-added engineering in order to strengthen our competitive advantages and innovative project management effectiveness. Descriptions are provided as follows:

I. Technology patent development

The group keeps acquiring patents; most of them relating to construction methods, applications and new materials, and software programming of a chemical equipment supply system. Analyze industry and technology trends in order to find R&D items that can facilitate corporate or industrial development and have market value. Make a strategic deployment to continuously obtain patents for engineering core technologies.

II. Talent cultivation and academia-industry cooperation

The company has comprehensive on-the-job training programs in place to help employees develop skills required, and works with scholars to explore new innovations. The company establish a long-term industry-academia partnership with Taipei Tech, YunTech, NKUST, NCUT and FCU for joint developments, and has achieved outstanding results in talent cultivation and academia-industry cooperation.

III. Energy-saving technologies

In light of rising global emphasis on energy-saving, green and low-carbon lifestyles, the group continues to conduct research into and develop environmental protection related engineering technology and products, develop high-efficiency eco-friendly facilities and energy management technologies, enhance the energy efficiency of energy consumption products, facilitate its integration with intelligent system, and optimize the control, optimize the application of energy-saving technology with our know-how in the field, and build a production environment with more efficient technologies to assist the industry in transformation to net zero emissions.

IV. Biotech Industry

The innovation, research, and development efforts in the implementation of biotech pharmaceutical projects were mainly reflected in the system impact assessment (SIA). Modern biotech pharmaceutical companies must comply with the PIC/S GMP requirements and GEP (Good Engineering Practice) is the cornerstone of PIC/S GMP while SIA is at the core of GEP.

The standard SIA operating procedure researched and developed by the Quality Control Department applies to projects during the design stage. Quality control engineers and system engineers apply the standard SIA operating procedure while performing

internationally approved assessments of all systems involved in biotech pharmaceutical projects comprehensively. By successfully implementing the standard SIA operating procedure, it helps set a clear goal while biotech pharmaceutical projects are being qualified, which not only saves the manpower and time needed for a project but also perfects the qualification logic for biotech pharmaceutical projects.

We will proactively establish the standard operating procedures for critical component assessments (CCAs) of air-conditioning, water purification, distillation, steam purification, compressed air, partition, power, firefighting, drainage, and automatic control systems in order to more effectively, economically, and completely fulfill the needs of biotech pharmaceutical projects.

V. Continued Developments in Respective Engineering Aspects

- a. In utilization of the technical capability of established Building Information Modeling (BIM) - Revit of Company, take one step further into the Digital Twin application technology for air conditioning system which applies the digital computing and simulation technology in design and construction process so that the design efficiency, optimization design, construction efficiency and efficiency optimization of system energy is improved; the system balance and performance validation is assisted during the completion acceptance process so that the acceptance efficiency is improved; in the operation phase, the BIM, energy model, environmental control model, and monitoring system of physical and digital systems is integrated to perform the system operation management, system predictive maintenance diagnosis, faults diagnosis, operation optimization analysis, and artificial intelligence mechanical learning so that the risk of unanticipated faults is reduced, the operating costs is decreased, and the system energy efficiency is improved.
- b. To solve the time-consuming and complicated modeling and calculation issues of air conditioning design engineers in the design stage, the Building Information Modeling (BIM) of Revit and energy simulation technology is integrated and utilized by external computer programs so that the system design calculation report will be produced automatically through the automation database connection mechanism between the system design data, which not only can assist the air conditioning design engineers to complete air conditioning design volume calculations efficiently but also perform the value engineering analysis such as energy efficiency and cost optimization calculations.
- c. The adoption of illuminance simulation software-aided lighting design ensures that the number of installed lighting fixtures matches actual needs, while achieving the goal of minimal deviations and reduced energy consumption.
- d. Construction automation: The adoption of steel reinforcement cages enhances structural accuracy as well as construction quality and shortens construction period. Establish the same-layer drainage technology.

2. Summary of business plan for 2023

(1).Business strategy

This year, Acter has set up its growth goals for various divisions and subsidiaries and implemented action plans for each unit. It also implemented the following business policies:

- I. Strengthen corporate governance, enhance enterprise culture and sustainable development
- II. Rooting deeply in this industry, continuously optimize engineering capabilities, provide a diverse, multi-project integrated engineering service, and strive to use core skills to help companies achieve carbon neutrality, pursue a better future

- III. Maintain constant contact with current customers from mainland China and Southeast Asia, develop new customers, create multi-regional business, improve investment efficiency, and expand industrial integration
- IV. Cooperate with international partners and continuously expand the scope of its professional service in biological, pharmaceutical, medical industries and desalination, and deepening of the professional technical capabilities such as green energy and environmental protection.
- V. Combine the professional manufacturing processes of gas and chemical supply systems in the treatment of liquid waste and solvent waste to create a new generation engineering integration technology and Earth-friendly technology
- VI. Recruiting more diverse talents and actively training management teams

(2).Expected sales volume and basis for estimates

Acter is a professional manufacturer that applies system integration. For over 40 years, it has provided services which cover cleanrooms, air conditioning, electrical machinery, chemical engineering as well as control and instrument, equipment installation, etc., with the support of its strong and reliable multi-disciplinary and elite engineering team. Aside from its strength and advantage, Acter aims to keep pace with the request of customers. It caters to the needs of clients through constant communication and by establishing brand value and competitive advantage via innovative technology and high quality services.

In addition to serving its existing customers, Acter is aggressively expanding its domestic and overseas markets by identifying new industries and new customers, satisfying the demand for a cross-disciplinary project service with integration system, and expanding industrial integration. As for internal operations, managing the company's integral resources is vital in providing the best and efficient solutions for customers.

(3).Major production and sales policies

Acter provides rapid and flexible integration of services specializing in engineering and technology. It is a comprehensive turnkey service company that handles design and planning, construction, engineering supervision, maintenance after completion and transfer. Acter services offer vertical and horizontal integration and sustainable intensification of industry value-chain across various technologies that impact people's livelihood, biotechnology, green energy and the medical field as well as the photovoltaic industry, semiconductor industry, biotechnology industry, energy industry, energy engineering, railway stations, high-end housing, hotels, electromechanical solutions for air conditioning systems, biopharmaceutical, medical institutes, etc.

With respect to its manufacturing-retail policy, while considering the needs of its customers, the company shall maintain existing clients, acquire new ones, and enter new industries in order to maintain business volume and achieve stable growth and profit. With regard to engineering, the company shall continuously improve and manage all kinds of projects and energy-saving and green eco-friendly economical engineering in order to create value and provide comprehensive solutions for its customers. As for financial considerations, it shall apply proper financial risk control strategies in handling customers and accelerate the collection rate of accounts receivable.

3. Future development strategies

The company is deeply committed to every project which represents and embodies Acter. It has been a long time since the company focused on the improvement and development of engineering technology. Currently, it has become a diversified engineering technology company

through vertical and horizontal integration and continuous development. The content of service and professional engineering method were improved to keep pace with progress. It has continued to expand its service stations given the increasing demand of customers. In order to approach its customers and provide real-time service, Acter service stations are situated all over Taiwan, Mainland China and Southeast Asia.

Engineering system integration service is the core business of Acter. Therefore, when facing the challenges by climate change and industrial transformation, Acter will dedicate to the research and development of innovative green technology. Not only provides customers energy-saving and green eco-friendly economical engineering solutions from the technology end, but also integrates our professional skills, knowledge and experiences to, through cooperation with our subcontractors, build “high value, low power consumption and low pollution” quality spaces. We commit more effort to bring customers more general ideas of green sustainability and responsible services. In the global promotion of ESG and carbon neutrality, with the role of the driver of green project, Acter assists customers to achieve carbon neutrality, and together towards prospects of sustainability.

4. Effect of the external competitive environment, legal and regulatory environment, and overall business environment

Large-scale construction suppliers offered turnkey solutions that enabled them to gain control of the electricity and machine engineering market, which led to greater competition in the electricity, machine and cleanroom engineering industry. Acter is committed to creating valuable projects and reduces the financial burden of its clients through innovative technologies and special engineering methods. In addition, it reduces overhead expense and engineering construction risks. It also forms a stable and cooperative relationship with suppliers for effective cost control and improvement of price competition in construction engineering. Meanwhile, it develops related business of energy-saving which will not only provide better services for its customers but also contribute to the overall environment.

As far as the regulatory environment is concerned, the company periodically reviews changes made to laws and regulations to ensure compliance with requirements of the competent authority and adheres to its belief of legitimate management. Generally speaking, changes to the regulatory environment will not have a major impact on the company.

In the macro business environment, although the semiconductor market fluctuates in the short term, it remains cautiously optimistic in the medium and long term. Along with the global trends head to the high efficiency and net zero carbon emission, emerging markets of 5G communication, low orbit satellite, and new energy vehicles, and the third generation semiconductor qualified with advantages of high efficiency and high frequency has become a place contested by all strategists. Not only that, but the multi-countries invest huge amount capital expenditure to accelerate the third generation semiconductor development, China invests CNY ten trillion for the autonomy of the third generation semiconductor and development, and Taiwan also will start the third generation semiconductor localization plan and expect to complete the plan in 2024. Those trends are beneficial to Acter’s performance.

5. Sustainability

Oriented to “implementing the ESG spirit and developing green business”, Acter is absorbed in the core business and industrial innovation. By linking United Nation’s Sustainable Development Goals (SDGs), and our core competence, Acter has not only established a responsible supply chain and built a diverse and tolerant workplace, but also been promoting green low-carbon engineering, cultivating industrial talents, attentive to the disadvantaged minority. It is our aspiration to create shared value for the society and win more reputation points with an excellent and sustainable corporate governance approach.

In the future, we will continue to work hard on sustainable development and cooperate with our partners and stakeholders to make the greatest contribution to the bring a positive development to the environment, society and economy.

It deeply appreciates the support of shareholders. Acter hopes to create greater value for the entire organization and its shareholders.

Sincerely yours,

Chairman: Liang, Chin-Li General Manager: Lai, Ming-Kun & Wang, Chun-Sheng Accounting Supervisor: Tsao, Yun-Han

Attachment 2: 2022 Independent Auditors' Report and Financial Statements

Independent Auditors' Report

To the Board of Directors of Acter Group Corporation Limited:

Opinion

We have audited the financial statements of Acter Group Corporation Limited (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, the statement 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 at 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 audit of the financial statements as of accordance with the auditing standards in the Republic of China, and the Regulations Governing Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition

Please refer to Note 4(o) "Revenue", Note 5(a) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty: Revenue recognition", and Notes 6(q) "Revenue from contracts with customers" to the financial statements.

Description of key audit matter

The Company assesses its construction revenue by measuring the proportion that the contract costs incurred for work performed to date bear to the estimated total contract costs; the estimated total contract cost involves judgment and estimation uncertainty of the Company's management. Consequently, revenue recognition is one of the key matters for our audit.

How the matter was addressed in our audit

Our principal audit procedures included: testing the Company's internal control of sales and receipt cycle to assess whether there is any defects and irregularities of internal control systems. Reviewing major contracts to understand the specific terms and risks of the contracts; comparing the actual construction costs incurred with the estimated construction costs to evaluate rationality of the estimation method; assessing whether the Company's accounting policy on revenue recognition is in accordance with the related accounting standards.

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

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

In preparing the 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 (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

KPMG

Taipei, Taiwan (Republic of China)
February 24, 2023

Notes to Readers

The accompanying 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 financial statements are those generally accepted and applied in the Republic of China.

The independent 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 independent auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese.)

ACTER GROUP CO., LTD.

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2022</u>		<u>December 31, 2021</u>				<u>December 31, 2022</u>		<u>December 31, 2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>			<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Assets											
Current assets:											
1100	Cash and cash equivalents (note 6(a))	\$ 802,106	6	1,062,933	11	2130	Current contract liabilities (note 6(q))	853,337	6	214,039	2
1110	Current financial assets at fair value through profit or loss (note 6(b))	389,552	3	363,468	4	2150	Notes payable	6,707	-	716	-
1140	Current contract assets (note 6(q))	2,171,731	16	1,534,825	16	2170	Accounts payable	2,853,511	21	1,880,009	20
1150	Notes receivable, net (note 6(d))	48,830	-	202,709	2	2180	Accounts payable to related parties (note 7)	69,251	1	61,784	1
1170	Accounts receivable, net (note 6(d))	3,318,739	25	1,338,979	14	2201	Accrued salaries and bonuses	238,881	2	162,015	2
1200	Other receivables (note 6(e))	13,218	-	1,193	-	2216	Dividends payable	402,696	3	-	-
1210	Other receivables to related parties (note 6(e) and 7)	107,156	1	15,345	-	2230	Current income tax liabilities	187,132	1	80,854	1
1476	Other current financial assets (note 8)	19,428	-	17,057	-	2250	Current provisions (note 6(l))	30,802	-	26,569	-
1479	Other current assets	287,869	2	246,341	3	2280	Current lease liabilities (note 6(k))	13,295	-	10,941	-
		<u>7,158,629</u>	<u>53</u>	<u>4,782,850</u>	<u>50</u>	2321	Bonds payable due within one year(note 6(j))	546,019	4	-	-
						2399	Other current liabilities and accrued expenses	255,493	2	162,600	2
								<u>5,457,124</u>	<u>40</u>	<u>2,599,527</u>	<u>28</u>
Non-current assets:											
1517	Non-current financial assets at fair value though other comprehensive income (note 6(c))	319,607	2	133,805	2		Non-Current liabilities:				
1550	Investments accounted for using equity method (note 6(f))	5,698,328	42	4,152,107	44	2530	Bonds payable(note 6(j))	-	-	779,527	8
1600	Property, plant and equipment (note 6(g))	97,917	1	95,895	1	2570	Deferred tax liabilities (note 6(n))	505,677	4	427,432	5
1755	Right-of-use assets (note 6(h))	44,112	-	39,734	-	2580	Non-current lease liabilities (note 6(k))	31,289	-	29,338	-
1760	Investment property, net (note 6(i))	233,306	2	235,793	3	2640	Non-current provisions for employee benefits (note 6(m))	17,452	-	20,459	-
1840	Deferred tax assets (note 6(n))	32,594	-	40,008	-	2645	Guarantee deposits	152	-	152	-
1990	Other non-current assets	11,933	-	10,783	-			<u>554,570</u>	<u>4</u>	<u>1,256,908</u>	<u>13</u>
		<u>6,437,797</u>	<u>47</u>	<u>4,708,125</u>	<u>50</u>		Total liabilities	<u>6,011,694</u>	<u>44</u>	<u>3,856,435</u>	<u>41</u>
Total assets		<u>\$ 13,596,426</u>	<u>100</u>	<u>9,490,975</u>	<u>100</u>		Equity attributable to owners of parent (note 6 (o)):				
						3100	Ordinary shares	574,673	4	571,868	6
						3140	Advance receipts for ordinary share	11,721	-	54	-
						3200	Capital surplus	3,055,511	23	1,866,632	20
						3300	Retained earnings	4,043,975	30	3,367,371	35
						3490	Other equity interest	(101,148)	(1)	(171,385)	(2)
							Total equity	<u>7,584,732</u>	<u>56</u>	<u>5,634,540</u>	<u>59</u>
							Total liabilities and equity	<u>\$ 13,596,426</u>	<u>100</u>	<u>9,490,975</u>	<u>100</u>

(English Translation of Financial Statements Originally Issued in Chinese.)

ACTER GROUP CO., LTD.

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	%
Operating Revenues: (note 6(q) and 7)					
4521	Construction revenue	\$ 11,411,813	100	5,995,710	100
4529	Less: allowances	<u>(7,321)</u>	-	<u>(9,229)</u>	-
		11,404,492	100	5,986,481	100
4800	Other operating revenue	<u>-</u>	-	<u>7,831</u>	-
		<u>11,404,492</u>	<u>100</u>	<u>5,994,312</u>	<u>100</u>
Operating costs:					
5520	Construction cost (note 6 (m),(r) and 7)	<u>9,931,452</u>	<u>87</u>	<u>5,323,804</u>	<u>89</u>
Gross profit from operations		<u>1,473,040</u>	<u>13</u>	<u>670,508</u>	<u>11</u>
Operating expenses (note 6(m) and (r)):					
6100	Selling expenses	29,916	-	22,157	-
6200	Administrative expenses	275,685	3	204,592	3
6450	Expected credit loss (note 6(d))	<u>(4,337)</u>	-	<u>(15,489)</u>	-
		<u>301,264</u>	<u>3</u>	<u>211,260</u>	<u>3</u>
Net operating income		<u>1,171,776</u>	<u>10</u>	<u>459,248</u>	<u>8</u>
Non-operating income and expenses:(note 6(s))					
7050	Finance costs	(11,420)	-	(10,441)	-
7100	Interest revenue	2,689	-	4,916	-
7010	Other income and expense	44,133	-	34,865	-
7070	Shares of gain of associates accounted for using equity method	1,091,584	10	895,678	15
7020	Other gains and losses	<u>(23,156)</u>	-	<u>5,895</u>	-
		<u>1,103,830</u>	<u>10</u>	<u>930,913</u>	<u>15</u>
Profit before income tax		<u>2,275,606</u>	<u>20</u>	<u>1,390,161</u>	<u>23</u>
Less: Income tax expense (note 6(n))		<u>342,484</u>	<u>3</u>	<u>185,751</u>	<u>3</u>
Profit for the year		<u>1,933,122</u>	<u>17</u>	<u>1,204,410</u>	<u>20</u>
8300	Other comprehensive income (loss):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements effects on defined benefit plans	1,956	-	(406)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	83,763	1	957	-
8330	Share of (loss) profit of associates and joint ventures accounted for using equity method though other comprehensive income, that may not be reclassified to profit or loss	3,251	-	(5,877)	-
8349	Income tax related to components of other comprehensive income that may not be reclassified to profit or loss	-	-	-	-
		<u>88,970</u>	<u>1</u>	<u>(5,326)</u>	<u>-</u>
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	88,892	1	(33,819)	(1)
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(84,639)	(1)	(5,826)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(n))	<u>(17,779)</u>	-	<u>6,764</u>	-
		<u>(13,526)</u>	-	<u>(32,881)</u>	<u>(1)</u>
8300	Other comprehensive income, net of tax	<u>75,444</u>	<u>1</u>	<u>(38,207)</u>	<u>(1)</u>
8500	Total comprehensive income profit for the years	<u>\$ 2,008,566</u>	<u>18</u>	<u>1,166,203</u>	<u>19</u>
Earnings per share (note 6(p))					
9750	Basic earnings per share(In new Taiwan dollars)	<u>\$ 16.84</u>		<u>10.54</u>	
9850	Diluted earnings per share(In new Taiwan dollars)	<u>\$ 15.48</u>		<u>9.77</u>	

(English Translation of Financial Statements Originally Issued in Chinese.)

ACTER GROUP CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Exchange difference on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total Other equity interest	Total equity	
	Ordinary stock	Advance capital	Capital Surplus	Legal reserve	Special reserve	Unappropriated retained earnings					Total retained earnings
Balance, January 1, 2021	\$ 541,868	450,544	1,437,710	721,449	129,186	2,004,850	2,855,485	(136,159)	(3,302)	(139,461)	5,146,146
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	-	96,951	-	(96,951)	-	-	-	-	-
Special reserve	-	-	-	-	10,275	(10,275)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(686,241)	(686,241)	-	-	-	(686,241)
Cash capital increase	30,000	(450,544)	465,900	-	-	-	-	-	-	-	45,356
Convertible corporate bonds	-	54	920	-	-	-	-	-	-	-	974
Changes in ownership interests in subsidiaries	-	-	(37,898)	-	-	-	-	-	-	-	(37,898)
Profit for the years ended December 31,2021	-	-	-	-	-	1,204,410	1,204,410	-	-	-	1,204,410
Other comprehensive income for the years ended December 31,2021	-	-	-	-	-	(6,283)	(6,283)	(27,055)	(4,869)	(31,924)	(38,207)
Total comprehensive income	-	-	-	-	-	1,198,127	1,198,127	(27,055)	(4,869)	(31,924)	1,166,203
Balance, December 31, 2021	\$ 571,868	54	1,866,632	818,400	139,461	2,409,510	3,367,371	(163,214)	(8,171)	(171,385)	5,634,540
Balance, January 1, 2022	571,868	54	1,866,632	818,400	139,461	2,409,510	3,367,371	(163,214)	(8,171)	(171,385)	5,634,540
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	-	119,812	-	(119,812)	-	-	-	-	-
Special reserve	-	-	-	-	31,924	(31,924)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,261,725)	(1,261,725)	-	-	-	(1,261,725)
Convertible corporate bonds	2,805	11,667	228,638	-	-	-	-	-	-	-	243,110
Changes in ownership interests in subsidiaries	-	-	960,241	-	-	-	-	-	-	-	960,241
Profit for the years ended December 31,2022	-	-	-	-	-	1,933,122	1,933,122	-	-	-	1,933,122
Other comprehensive income for the years ended December 31,2022	-	-	-	-	-	5,207	5,207	71,113	(876)	70,237	75,444
Total comprehensive income	-	-	-	-	-	1,938,329	1,938,329	71,113	(876)	70,237	2,008,566
Balance, December 31 2022	\$ 574,673	11,721	3,055,511	938,212	171,385	2,934,378	4,043,975	(92,101)	(9,047)	(101,148)	7,584,732

(English Translation of Financial Statements Originally Issued in Chinese.)
ACTER GROUP CO., LTD.
Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 2,275,606	1,390,161
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses (including investment property)	18,667	16,546
Amortization expenses	6,118	5,210
Excepted credit impairment gain on reversal	(4,337)	(15,489)
Net gain from current financial liabilities at fair value through profit or loss	(55)	(1,440)
Interest expense	11,420	10,441
Interest income	(2,689)	(4,916)
Dividend income	(19,258)	(4,768)
Shares of profit of associates and joint ventures accounted for using equity method	(1,091,584)	(895,678)
Lease modification benefits	(2)	(4)
Total adjustments to reconcile loss	<u>(1,081,720)</u>	<u>(890,098)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in current financial assets at fair value through profit or loss	(26,029)	(327,774)
Increase in current contract assets	(636,906)	(537,618)
Decrease (increase) in notes receivable	153,879	(153,762)
Increase in accounts receivable	(1,975,423)	(100,753)
Increase in other operating assets	<u>(148,612)</u>	<u>(104,681)</u>
Total changes in operating assets	<u>(2,633,091)</u>	<u>(1,224,588)</u>
Changes in operating liabilities:		
Increase (decrease) in current contract liabilities	639,298	(327,619)
Increase (decrease) in notes payable	5,991	(4,694)
Increase in accounts payable	980,969	738,334
Increase (decrease) in provisions	4,233	(1,314)
Increase in other current liabilities	<u>168,708</u>	<u>47,244</u>
Total changes in operating liabilities	<u>1,799,199</u>	<u>451,951</u>
Total adjustments	<u>(1,915,612)</u>	<u>(1,662,735)</u>
Cash inflow (outflow) generated from operations	359,994	(272,574)
Interest received	3,566	3,890
Interest paid	(1,818)	(459)
Income taxes paid	<u>(168,326)</u>	<u>(120,955)</u>
Net cash flows from operating activities	<u>193,416</u>	<u>(390,098)</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through comprehensive income	(106,623)	-
Acquisition of associate accounted for using equity method	-	(72,091)
Proceeds from disposal of non-current assets held for sale	-	7,824
Acquisition of property, plant and equipment	(5,169)	(1,798)
Increase (decrease) guarantee deposits paid	(2,120)	185
Acquisition of intangible assets	(5,448)	(5,427)
Decrease in other non-current assets	300	-
Dividends received	<u>536,950</u>	<u>516,699</u>
Net cash flows used in investing activities	<u>417,890</u>	<u>445,392</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,179,000	-
Decrease short-term loans	(1,179,000)	-
Payment of lease liabilities	(13,104)	(11,734)
Cash dividends paid	(859,029)	(686,241)
Capital increase by cash	<u>-</u>	<u>45,356</u>
Net cash flows from (used in) financing activities	<u>(872,133)</u>	<u>(652,619)</u>
Net decrease in cash and cash equivalents	<u>(260,827)</u>	<u>(597,325)</u>
Cash and cash equivalents at beginning of period	<u>1,062,933</u>	<u>1,660,258</u>
Cash and cash equivalents at end of period	<u>\$ 802,106</u>	<u>1,062,933</u>

Representation Letter

The entities that are required to be included in the combined financial statements of Acter Group Corporation Limited as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements." endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements are included in the consolidated financial statements. Consequently, Acter Group Corporation Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Acter Group Corporation Limited

Chairman: Liang, Chin-Li

Date: February 24, 2023

Independent Auditors' Report

To the Board of Directors of Acter Group Corporation Limited:

Opinion

We have audited the consolidated financial statements of Acter Group Corporation Limited (the “Company”) 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 at 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”), endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certificated 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

Revenue recognition

Please refer to Note 4(p) “Revenue”, Note 5 “Significant accounting assumptions and judgments, and major sources of estimation uncertainty: Revenue recognition”, and Notes 6(v) “Revenue from contracts with customers” to the consolidated financial statements.

Description of key audit matter

The Group assesses its construction revenue by measuring the proportion that the contract costs incurred for work performed to date bear to the estimated total contract costs; the estimated total contract cost involves judgment and estimation uncertainty of the Group's management. Consequently, revenue recognition is one of the key matters for our audit.

How the matter was addressed in our audit

Our principal audit procedures included: testing the Group's internal control of sales and receipt cycle to assess whether there is any defects and irregularities of internal control systems; reviewing major contracts to understand the specific terms and risks of contracts; comparing the actual construction costs incurred with the estimated construction costs to evaluate rationality of the estimation method; assessing whether the Group's accounting policy on revenue recognition is in accordance with the related accounting standards.

Other Matter

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements 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 (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 consolidated 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 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Hsueh Chen and Chien-Hui Lu.

KPMG

Taipei, Taiwan (Republic of China)
February 24, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and 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 independent 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 independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese.)

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2022		December 31, 2021		Liabilities and Equity		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 6,410,782	24	3,698,831	20	2100	Short-term borrowings (note 6(n))	\$ 350,228	1	650,766	3
1110	Current financial assets at fair value through profit or loss (note 6(b))	1,313,339	5	737,191	4	2130	Current contract liabilities (note 6(v))	3,576,899	13	1,627,278	9
1120	Current financial assets at fair value through other comprehensive income (note 6(c))	344,524	1	271,423	2	2150	Notes payable	177,916	1	170,304	1
1140	Current contract assets (note 6(v))	6,074,330	22	4,733,526	25	2170	Trade payables	7,377,360	27	5,924,273	32
1150	Notes receivable, net (note 6(d))	240,051	1	447,966	2	2180	Trade payables to related parties (note 7)	1,095	-	441	-
1170	Trade receivables, net (note 6(d) and (v))	8,136,175	30	5,566,559	30	2201	Accrued salaries and bonuses	699,427	2	473,115	3
1200	Other receivables (note 6(e))	39,444	-	12,588	-	2216	Dividends payable	452,016	2	-	-
1220	Current income tax assets	23,543	-	9,211	-	2230	Current income tax liabilities	429,581	2	285,482	1
1310	Inventories, net (note 6(f))	1,246,038	5	551,735	3	2250	Current provisions (note 6(q))	271,706	1	259,896	1
1410	Prepayments	758,975	3	733,375	4	2280	Current lease liabilities (note 6(p))	70,099	-	41,365	-
1476	Other current financial assets (note 8)	281,668	1	224,156	1	2321	Bonds payable, current portion (note 6(o))	546,019	2	-	-
1479	Other current assets	266,862	1	271,044	1	2399	Other current liabilities and accrued expenses (note 9)	545,040	2	339,682	2
		<u>25,135,731</u>	<u>93</u>	<u>17,257,605</u>	<u>92</u>			<u>14,497,386</u>	<u>53</u>	<u>9,772,602</u>	<u>52</u>
Non-current assets:						Non-Current liabilities:					
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	508,217	2	136,051	1	2500	Non-current financial liabilities at fair value through profit or loss (note 6(b) and 8)	1,840	-	-	-
1550	Investments accounted for using equity method (note 6(g))	23,063	-	20,492	-	2530	Bonds payable (note 6(o))	754,706	3	779,527	5
1600	Property, plant and equipment (note 6(j))	690,310	2	573,294	3	2570	Deferred tax liabilities (note 6(s))	885,669	4	725,120	4
1755	Right-of-use assets (note 6(k))	213,023	1	128,378	1	2580	Non-current lease liabilities (note 6(p))	118,052	-	63,253	-
1760	Investments property, net (note 6(l))	236,454	1	239,397	1	2640	Net defined benefit liability, non-current (note 6(r))	60,043	-	67,205	-
1780	Intangible assets (note 6(m))	91,846	-	108,183	1	2645	Guarantee deposits received	152	-	262	-
1840	Deferred tax assets (note 6(s))	177,758	1	187,793	1			<u>1,820,462</u>	<u>7</u>	<u>1,635,367</u>	<u>9</u>
1990	Other non-current assets (note 8)	40,121	-	52,774	-			<u>16,317,848</u>	<u>60</u>	<u>11,407,969</u>	<u>61</u>
		<u>1,980,792</u>	<u>7</u>	<u>1,446,362</u>	<u>8</u>						
Total assets		<u>\$ 27,116,523</u>	<u>100</u>	<u>18,703,967</u>	<u>100</u>	Total liabilities					
						Equity attributable to owners of parent (note 6 (t)):					
						3110	Ordinary share	574,673	2	571,868	3
						3140	Advance receipts	11,721	-	54	-
						3200	Capital surplus	3,055,511	11	1,866,632	10
						3300	Retained earnings	4,043,975	15	3,367,371	18
						3400	Other equity	(101,148)	-	(171,385)	(1)
							Total equity attributable to owners of parent	<u>7,584,732</u>	<u>28</u>	<u>5,634,540</u>	<u>30</u>
						36XX	Non-controlling interests	3,213,943	12	1,661,458	9
							Total equity	<u>10,798,675</u>	<u>40</u>	<u>7,295,998</u>	<u>39</u>
							Total liabilities and equity	<u>\$ 27,116,523</u>	<u>100</u>	<u>18,703,967</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
ACTER GROUP CORPORATION LIMITED 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	%
Operating Revenues (note 6(v)):					
4521	Construction revenue	\$ 27,291,759	96	19,241,728	95
4529	Less: allowances	(41,764)	-	(12,554)	-
		<u>27,249,995</u>	<u>96</u>	<u>19,229,174</u>	<u>95</u>
4110	Sales and other	1,012,390	4	988,051	5
		<u>28,262,385</u>	<u>100</u>	<u>20,217,225</u>	<u>100</u>
Operating costs:					
5520	Construction cost (note 6(p), (r) and 7(b))	22,699,677	80	16,155,767	80
5110	Costs of goods sold and other (note 6(f))	784,557	3	778,659	4
		<u>23,484,234</u>	<u>83</u>	<u>16,934,426</u>	<u>84</u>
Gross profit from operations		4,778,151	17	3,282,799	16
Operating expenses (note 6(p), (r) and 7(b)):					
6100	Selling expenses	201,017	1	150,545	-
6200	Administrative expenses	920,084	3	741,346	4
6300	Research and development expenses	334,495	1	207,367	1
6450	Impairment loss (note 6(d))	26	-	44,282	-
		<u>1,455,622</u>	<u>5</u>	<u>1,143,540</u>	<u>5</u>
Net operating income		3,322,529	12	2,139,259	11
Non-operating income and expenses (note 6 (x))					
7050	Finance costs	(33,135)	-	(24,460)	-
7100	Interest income	40,538	-	33,405	-
7010	Other income	78,459	-	41,284	-
7070	Share of profit of associates accounted for using equity method, net(note 6(g))	1,032	-	16,623	-
7020	Other gains and losses, net	10,523	-	(27,610)	-
		<u>97,417</u>	<u>-</u>	<u>39,242</u>	<u>-</u>
Profit before income tax		3,419,946	12	2,178,501	11
7950	Less: Income tax expenses (note 6(s))	920,610	3	624,629	3
Profit		2,499,336	9	1,553,872	8
8300	Other comprehensive income (loss):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements effects on defined benefit plans (note 6(r))	6,117	-	(9,064)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	86,381	-	957	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		<u>92,498</u>	<u>-</u>	<u>(8,107)</u>	<u>-</u>
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	96,908	-	(39,666)	-
8367	Unrealized losses from investments in debt instruments measured at fair value through other comprehensive income	(84,640)	-	(5,826)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(s))	(23,063)	-	8,617	-
		<u>(10,795)</u>	<u>-</u>	<u>(36,875)</u>	<u>-</u>
8300	Other comprehensive income, net of tax	81,703	-	(44,982)	-
8500	Total comprehensive income	<u>\$ 2,581,039</u>	<u>9</u>	<u>1,508,890</u>	<u>8</u>
Profit, attributable to:					
8610	Owners of parent	\$ 1,933,122	7	1,204,410	6
8620	Non-controlling interests	566,214	2	349,462	2
		<u>\$ 2,499,336</u>	<u>9</u>	<u>1,553,872</u>	<u>8</u>
Comprehensive income attributable to:					
8710	Owners of parent	\$ 2,008,566	7	1,166,203	6
8720	Non-controlling interests	572,473	2	342,687	2
		<u>\$ 2,581,039</u>	<u>9</u>	<u>1,508,890</u>	<u>8</u>
Earnings per share (Expressed in New Taiwan Dollars) (note 6(u))					
9750	Basic earnings per share	<u>\$ 16.84</u>		<u>10.54</u>	
9850	Diluted earnings per share	<u>\$ 15.48</u>		<u>9.77</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Consolidated Statements 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								Other equity		Non-controlling interests	Total equity
	Retained earnings							Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total Other equity		
	Ordinary shares	Advance receipts	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings					
Balance at January 1, 2021	\$ 541,868	450,544	1,437,710	721,449	129,186	2,004,850	2,855,485	(136,159)	(3,302)	(139,461)	1,152,334	6,298,480
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	-	96,951	-	(96,951)	-	-	-	-	-	-
Special reserve	-	-	-	-	10,275	(10,275)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(686,241)	(686,241)	-	-	-	-	(686,241)
Cash capital increase	30,000	(450,544)	465,900	-	-	-	-	-	-	-	-	45,356
Conversion of convertible bonds	-	54	920	-	-	-	-	-	-	-	-	974
Changes in ownership interests in subsidiaries	-	-	(37,898)	-	-	-	-	-	-	-	-	(37,898)
Profit for the year ended December 31, 2021	-	-	-	-	-	1,204,410	1,204,410	-	-	-	349,462	1,553,872
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	-	(6,283)	(6,283)	(27,055)	(4,869)	(31,924)	(6,775)	(44,982)
Total comprehensive income	-	-	-	-	-	1,198,127	1,198,127	(27,055)	(4,869)	(31,924)	342,687	1,508,890
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	166,437	166,437
Balance at December 31, 2021	\$ 571,868	54	1,866,632	818,400	139,461	2,409,510	3,367,371	(163,214)	(8,171)	(171,385)	1,661,458	7,295,998
Balance at January 1, 2022	\$ 571,868	54	1,866,632	818,400	139,461	2,409,510	3,367,371	(163,214)	(8,171)	(171,385)	1,661,458	7,295,998
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	-	119,812	-	(119,812)	-	-	-	-	-	-
Special reserve	-	-	-	-	31,924	(31,924)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,261,725)	(1,261,725)	-	-	-	-	(1,261,725)
Conversion of convertible bonds	2,805	11,667	228,638	-	-	-	-	-	-	-	-	243,110
Changes in ownership interests in subsidiaries	-	-	960,241	-	-	-	-	-	-	-	-	960,241
Profit for the year ended December 31, 2022	-	-	-	-	-	1,933,122	1,933,122	-	-	-	566,214	2,499,336
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	5,207	5,207	71,113	(876)	70,237	6,259	81,703
Total comprehensive income	-	-	-	-	-	1,938,329	1,938,329	71,113	(876)	70,237	572,473	2,581,039
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	980,012	980,012
Balance at December 31, 2022	\$ 574,673	11,721	3,055,511	938,212	171,385	2,934,378	4,043,975	(92,101)	(9,047)	(101,148)	3,213,943	10,798,675

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 3,419,946	2,178,501
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses (including investment property)	107,236	94,004
Amortization expenses	36,604	28,501
Impairment loss	26	44,282
Interest expense	33,135	24,460
Interest income	(40,538)	(33,405)
Dividend income	(31,370)	(5,010)
Shares of profit of associates accounted for using equity method	(1,032)	(16,623)
Net loss (gain) on financial liability at fair value through profit or loss	1,545	(1,440)
Loss (gain) from disposal of property, property plant, equipment	798	(160)
Loss on remeasurements of investing	-	13,793
Lease modification benefits	(1,034)	(12)
Other losses	1,232	-
Total adjustments to reconcile profit (loss)	<u>106,602</u>	<u>148,390</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in current financial assets at fair value through profit or loss	(566,325)	(367,046)
Increase in current contract assets	(1,340,804)	(1,598,239)
Decrease (Increase) in notes receivable	207,915	(250,393)
Increase in trade receivables	(2,570,876)	(1,387,125)
Increase in inventories	(694,303)	(274,082)
Increase in other current assets	(106,078)	(212,506)
Total changes in operating assets	<u>(5,070,471)</u>	<u>(4,089,391)</u>
Changes in operating liabilities:		
Increase (decrease) in current contract liabilities	1,949,621	(264,771)
Increase in notes payable	7,612	69,962
Increase in trade payables (including related parties)	1,453,741	2,273,299
Increase (decrease) in provisions	9,847	(10,301)
Increase in other current liabilities	432,520	89,614
Total changes in operating liabilities	<u>3,853,341</u>	<u>2,157,803</u>
Total adjustments	<u>(1,110,528)</u>	<u>(1,783,198)</u>
Cash inflow generated from operations	2,309,418	395,303
Interest received	40,538	29,594
Interest paid	(25,428)	(14,898)
Income taxes paid	(638,253)	(489,805)
Net cash flows (used in) from operating activities	<u>1,686,275</u>	<u>(79,806)</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(412,800)	(280,054)
Acquisition of property, plant and equipment	(146,980)	(24,322)
Proceeds from disposal of property, plant and equipment	108	1,059
Acquisition of intangible assets	(21,387)	(16,297)
Acquisition of right-of-use assets	(393)	(1,007)
Decrease (increase) in other non-current assets	12,713	(23,647)
Dividends received	31,370	5,010
Net cash flow from acquisition of subsidiaries	-	162,911
Net cash flows used in investing activities	<u>(537,369)</u>	<u>(176,347)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	3,413,380	1,657,948
Decrease in short-term loans	(3,746,130)	(1,810,910)
Decrease in short-term notes payable	-	(11,200)
Proceeds from issuing bonds	802,721	-
Repayments of long-term borrowing	-	(66,693)
(Decrease) increase in guarantee deposits	(110)	110
Payment of lease liabilities	(60,936)	(51,488)
Cash dividends paid	(859,029)	(686,241)
Capital increase by cash	-	45,356
Change in non-controlling interests	1,944,168	(205,001)
Net cash flows from (used in) financing activities	<u>1,494,064</u>	<u>(1,128,119)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>68,981</u>	<u>(82,781)</u>
Net increase (decrease) in cash and cash equivalents	<u>2,711,951</u>	<u>(1,467,053)</u>
Cash and cash equivalents at beginning of period	<u>3,698,831</u>	<u>5,165,884</u>
Cash and cash equivalents at end of period	<u>\$ 6,410,782</u>	<u>3,698,831</u>

See accompanying notes to consolidated financial statements.

Attachment 3: Audit Committee's Review Report

ACTER GROUP CORPORATION LIMITED

Audit Committee's Review Report

This company's 2022 financial statements have been approved by the Audit Committee and resolved by the board of directors. The foregoing financial statements have been audited by CPA of KPMG under commission to the board, and the auditor has issued an audit report relating to the financial statements.

This company's 2022 business report and earnings distribution proposal have been prepared and issued by the board of directors. The foregoing business report and earnings distribution proposal 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 Law, we hereby submit this report.

2023 shareholders meeting of ACTER GROUP CORPORATION LIMITED

ACTER GROUP CORPORATION LIMITED

Chairman of the Audit Committee: Yeh, Hui-Hsin

February 24, 2023

Attachment 4: Corporate Governance Report

- I. The company has established a great corporate governance systems and effective corporate governance framework, and has deployed an adequate number of corporate governance personnel, appointed an officer of financial division as the chief corporate governance officer to be in charge of corporate governance affairs and designated Chairman and Board of Directors to be in charge of supervision.
- II. In 2022, in order to respond to the international trend of sustainable development, the competent authorities have gradually increased the demand for environmental, social and governance (ESG) information. The TWSE strengthens ESG information disclosure of listed companies with reference to international sustainability-related standards. A total of 29 indicators on seven major topics were disclosed in the initial stage, including emission of greenhouse gases, energy management, water resource management, waste management, manpower development, communication between the board of directors and investors, etc. In addition, in order to meet the net zero emissions by 2050 and encourage enterprises to reduce carbon, the FSC promotes the sustainable development roadmap for listed companies on March 3, 2022. Based on the company's par value per share of NT\$5, the company shall complete individual and consolidated greenhouse gas (GHG) inventories before 2025 and 2026, and complete individual and consolidated GHG verifications before 2027 and 2028. The summary of the key points, which was competent by authorities in 2022 and the implementation of the company are as follows. Other relevant corporate governance operations have been disclosed in the company's Annual Report.

Summary of the key points	Implementation
Regarding the "Convening of the Shareholders Meeting," in order to cooperate with the implementation of electronic voting, votes are cast on each separate proposal	The company's shareholders meeting adopts electronic voting and votes are cast on each separate proposal. And the meeting be held by means of visual communication assisted shareholders meeting
The corporate governance evaluation	The company was ranked on top 5% in the corporate governance evaluation for 7 consecutive years
Timetables for the greenhouse gas inventories and verification	The company has completed the individual inventory and verification, and the inventories and verification of consolidated subsidiaries is in progress

- III. The company's corporate governance reports are as follows

Item	Reporting day to the board of directors	Responsible unit
Implementation of 2021 corporate governance	2022/2/24	Financial division
Implementation of ethical corporate management	2022/11/4	General manager
Report of climate change's risks, opportunities, actions and results	2022/11/4	General manager
Implementation of sustainable development	2022/11/4	General administration division

Item	Reporting day to the board of directors	Responsible unit
Intellectual property management plan	2022/11/4	General administration division
Implementation of risk management	2022/11/4	Auditing office
Communication mechanisms and implementation results for stakeholders	2022/11/4	Financial division, general administration division and procurement department

IV. Implementation of 2022 Corporate Governance Plan

Plan	Implementation
1. Continue to provide diversified training programs for directors	Regularly and irregularly provide training programs for directors
2. Arrange for independent directors to communicate individually with accountants and audit units	Independent directors held closed door meeting with accountants and audit units respectively on Jan. 22, 2022
3. Announce the electronic voting results one day before the date of the shareholders meeting	The electronic voting results has been revealed on the company's website on May 24, 2022
4. Continuously review corporate governance evaluation indicators, review and strengthen them in a timely manner	Continue to review and strengthen, the score of 2021 corporate governance evaluation was 107.99, which is an increase from 105.86 in 2020, and the self-evaluation results in 2022 will still be higher than 2021
5. Disclose the operation of each committee	Disclosed in the annual report
6. Report the annual corporate governance implementation to the shareholders meeting	The 2021 corporate governance report has been reported to the shareholders meeting held on May 26, 2022
7. Strengthen the powers of the chief corporate governance officer to assist directors in the execution of business, and strengthen the effective operation of the board of directors and compliance with laws and regulations	Ongoing

V. The company's implementation of the items in the Corporate Governance 3.0 to be optimized that summarized by domestic and foreign experts and institutions and released in December 2022 after observing and commenting on the promotion of corporate governance

Items to be optimized		Implementation
The operation of the board of directors and the functions of directors	1. The market environment faced by TWSE/TPEX listed company is becoming increasingly complex and diverse	The company's board of directors is diversified and has professional knowledge in industry and academia, which can effectively assist the company to effectively perform the functions of the board of directors; and the number of independent directors exceed one-half of the total director seats, and their term does not exceed three terms
	2. Insufficient awareness of the roles and functions of independent directors and the audit committee	In addition to independent director's own expertise, they also continue to study every year, and the audit committee of the company has been established for many years
Information disclosure	1. ESG information needs to be further strengthened	The company implements ESG, and the CSR report has been compiled voluntarily for many years. At the same time, it has also voluntarily completed the carbon inventory of the parent company itself since 2018
	2. Financial window period	The company announces the financial report within two months after the end of each year since 2011
Shareholder participation	1. Shareholders meetings are held in a centralized manner	The company convenes shareholders meetings in May every year since 2015
	2. Controversies caused by self-management of shareholder services	The company engage a professional shareholder services agent to handle shareholder services
	3. Participants of the investor conference are restricted	The company holds four public investor conferences every year, and the participants are not restricted.
The voluntary implementation of governance culture and sustainable development needs to be strengthened		The company has spontaneously improved its corporate governance quality and implemented it in the corporate culture

Attachment 5: Annual operation report of Audit Committee and its communication with the company's chief internal auditor

The Company's Audit Committee is composed of all independent directors. It holds regularly meetings before the board of directors to review the implementation of the company's internal control system and internal audit, major financial business behaviors, and appropriate communicate with CPAs to supervise company's operations and risk control.

1. Audit Committee's main responsibilities is to review the following matters:
 - (1) The adoption of or amendments to the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
 - (2) Assessment of the effectiveness of the internal control system.
 - (3) The procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
 - (4) Matters in which a director is an interested party.
 - (5) Asset transactions or derivatives trading of a material nature.
 - (6) Loans of funds, endorsements, or provision of guarantees of a material nature.
 - (7) The offering, issuance, or private placement of equity-type securities.
 - (8) The hiring or dismissal of a certified public accountant, or their compensation.
 - (9) The appointment or discharge of a financial, accounting, or internal audit officer.
 - (10) Annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairperson, managerial officer, and accounting officer.
 - (11) Business report and proposal for earnings distribution or offsetting of deficit.
 - (12) Other material matters as may be required by the company or by the competent authority.
2. Audit Committee's work of 2022 :
 - (1) Review the financial reports.
 - (2) Review the amendments to the internal control system and assessment of the effectiveness of the internal control system.
 - (3) Review the endorsements or guarantees for others.
 - (4) Review the subscription of securities.
 - (5) Review the hiring of a certified public accountant.
 - (6) Review matters related to the change in par value per share.
 - (7) Review the amendments to the "Procedure for Acquisition or Disposal of Assets."
 - (8) Review the reasonableness of all past prices and the impact on the shareholders equity of the company due to the reduction of shareholding ratio by more than 10% within 3 years in subsidiary ACTER TECHNOLOGY INTEGRATION GROUP CO., LTD.
3. If any of the following circumstances exists, specify the Audit Committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of Audit Committee resolutions, and the measures taken by the company based on the opinions of the Audit Committee:
 - (1) Circumstances referred to in Article 14-5 of the Securities and Exchange Act.
 - (2) Resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors.

Resolutions of the company are as follows, and there are no resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors.

Audit Committee Meetings	Major resolutions	Circumstances referred to in Article 14-5 of the Securities and Exchange Act	Resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors
Feb. 24, 2022	1. Resolved to approve the company's 2021 business report and financial statements.	✓	None
	2. Resolved to approve the company's 2021 statement of internal control system.	✓	None
	3. Resolved to approve the evaluation of qualification and independence of the Certified Public Accountants.	✓	None
	4. Approved to amend the company's "Procedures for Acquisition and Disposal of Assets."	✓	None
	Independent director's dissenting or qualified opinion or significant recommendation: None.		
	Resolutions of the Audit Committee: Approved by all attending members without objection.		
	Measures taken by the company based on the opinions of the Audit Committee: None.		
Apr. 14, 2022	1. Approved to engage the certified public accountant and the evaluation of independence of the new certified public accountant.	✓	None
	Independent director's dissenting or qualified opinion or significant recommendation: None.		
	Resolutions of the Audit Committee: Approved by all attending members without objection.		
	Measures taken by the company based on the opinions of the Audit Committee: None.		
May 06, 2022	1. Approved to amend the company's "Information Cycle."	✓	None
	Independent director's dissenting or qualified opinion or significant recommendation: None.		
	Resolutions of the Audit Committee: Approved by all attending members without objection.		
	Measures taken by the company based on the opinions of the Audit Committee: None.		
Aug. 05, 2022	1. Resolved to approve the record date and the plan for replacement of shares due to the change in par value per share.	✓	None
	Independent director's dissenting or qualified opinion or significant recommendation: None.		
	Resolutions of the Audit Committee: Approved by all attending members without objection.		
	Measures taken by the company based on the opinions of the Audit Committee: None.		

4. There is no independent directors' avoidance of motions in conflict of interest in 2022.

5. There are no major transactions with related parties not belonging to the group in 2022.

6. Communications between the independent directors, the Company's chief internal auditor and CPAs

CPAs and internal auditors report to the independent directors the results of the annual or semi-annual audited (reviewed) financial statements, or the functioning of internal controls through the Audit Committee meetings. In the meetings, independent directors are given sufficient opportunities to communicate with the CPAs and internal auditors face by face, which provide independent directors with sufficient overview of the company's operations and helps them to supervise appropriately. In addition to holding Audit Committee meetings quarterly, the independent directors also maintain regular e-mail contact with the CPAs and internal auditors in order to stay informed of the company's operations. The company holds a Closed-door meeting between the chief internal auditor and the independent directors at least once a year. Results of communication between the independent directors, the internal auditors and the CPAs in 2022 are listed in the table below and have been revealed on the company's website.

(1) Communications between the independent directors and the internal auditors

Date	Communication matters	Execution results
Jan. 22, 2022 Closed-door Meeting	<ul style="list-style-type: none"> • Audit implementation and tracking status in the fourth quarter of 2021 • 2021 self-assessment of the internal control system • 2022 Annual work plan 	<ul style="list-style-type: none"> • No comments
Feb. 24, 2022 Audit committee meeting	<ul style="list-style-type: none"> • Internal audit activities report (2021/10~2021/12) • 2021 Statement of the internal control system 	<ul style="list-style-type: none"> • No comments • Submit to the board of directors after approval
May 06, 2022 Audit committee meeting	<ul style="list-style-type: none"> • Internal audit activities report (2022/01~2022/03) • To amend the company's "Information Cycle." 	<ul style="list-style-type: none"> • No comments • Submit to the board of directors after approval
Aug. 05, 2022 Audit committee meeting	<ul style="list-style-type: none"> • Internal audit activities report (2022/04~2022/06) 	<ul style="list-style-type: none"> • No comments
Nov. 04, 2022 Audit committee meeting	<ul style="list-style-type: none"> • Internal audit activities report (2022/07~2022/09) • 2023 Annual audit plans 	<ul style="list-style-type: none"> • No comments • Submit to the board of directors after approval
Aug. 02, 2022 Communication via e-mail or phone call	<ul style="list-style-type: none"> • What is the audit unit's organization and responsibility related to the supervision of subsidiaries? How often and how is the supervision of subsidiaries inspected? 	<ul style="list-style-type: none"> • The company and its subsidiaries that are public companies have allocated qualified and appropriate number of internal auditors. • The audit unit of the subsidiary submits the "audit report" to the auditing office of the ultimate parent company for review every month in accordance with laws and regulations. • Subsidiary supervision is divided into planned audit (according to the annual audit plans) and special audit (selected according to the nature of business and

Date	Communication matters	Execution results
		<p>management needs or according to the instructions of the company's executive)</p> <ul style="list-style-type: none"> • Through the internal control self-assessment, the effectiveness of the design and implementation of the group's internal control system is measured to implement the self-monitoring mechanism. • In response to legal regulations and company management needs, coordinate and solve process or operational problems among the various units of the group, and propose proposals.

(2) Communications between the independent directors and the CPAs

Date of Audit Committee Meeting	Communication matters	Execution results
Jan. 22, 2022 (Closed-door Meeting)	• Closed door meeting between the CPAs and the independent directors	No comments
Feb. 24, 2022 (KAM Meeting)	• 2021 Key Audit Matters of the financial report	No comments
Feb. 24, 2022	• Consolidated financial reports of 2021	No comments
Aug. 05, 2022	• Consolidated financial statements for six months ended June 30, 2022	No comments
Nov. 04, 2022	• Consolidated financial statements for nine months ended September 30, 2022	No comments

7. Audit Committee's attendance in 2022

A total of 7 Audit Committee meetings were held in 2022 and all independent directors attended in person as follows:

Title	Name	Attendance in Person	By Proxy	Attendance rate	Remarks
Independent Director	Yeh, Hui-Hsin	7	0	100%	Was appointed on Jul. 23, 2021
Independent Director	Yang, Qian	7	0	100%	Was appointed on Jul. 23, 2021
Independent Director	Wang, Mao-Rong	7	0	100%	Was appointed on Jul. 23, 2021
Independent Director	Huang, Tzu-Pei	7	0	100%	Was newly appointed on Jul. 23, 2021.

Attachment 6: Director's compensation policy and individual's compensation

Compensation for directors includes the transportation and attendance fare for directors attending the board meetings, attendance fare for members of functional committee attending the committee, executive business expense, and the annual compensation for directors in accordance with the Articles of Incorporation. According to Article 26-1 of the Articles of Incorporation, when distributing the surplus profits for each fiscal year, the company shall first offset its losses of previous years and set not more than five percent of the profit before tax excluding the amount of employees' and directors' compensation as compensation to directors. The "surplus profits" here refers to the balance of pre-tax profit before deducting the employees' and directors' compensation. Total compensation paid to directors are reviewed by the Remuneration Committee in consideration of the company's business performance, the general pay levels in the industry and be submitted to the board of directors for approval. Compensation for individual director is determined in accordance with the "Regulations governing remuneration paid to directors and functional committee." The company takes into account the results of the performance evaluation of directors to calculate the points of each director. Such as the degree of participation in the company's operations, the attendance rate for the year, whether to serve as the chairman and other items. Then distributes the total amount approved by the board of directors according to the proportion.

Independent directors receive a fixed amount of compensation per month and do not participate in the distribution of annual compensation for directors. If an independent director is appointed as a member of any functional committee by the board of directors of the company, he/she will receive additional compensation paid to members of functional committee.

Unit: NT\$ thousand, Thousand Shares

Title	Name	Compensation								Sum of A+B+C+D and ratio to net income				Relevant compensation received by directors who are also employees								Sum of A+B+C+D+E+F+G and ratio to net income				Compensation paid to directors from an invested company other than the company's subsidiary
		Base Compensation (A)		Severance Pay (B)		Compensation to Directors (C)		Allowances (D)						Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)								
		The company	(Note 1)	The company	(Note 1)	The company	(Note 1)	The company	(Note 1)	The company	(Note 1)	The company	(Note 1)	The company	(Note 1)	Cash	Stock	Cash	Stock	The company	(Note 1)	The company	(Note 1)			
		Sum	%	Sum	%	Sum	%	Sum	%	Sum	%	Sum	%	Sum	%	Sum	%	Sum	%	Sum	%	Sum	%			
Chairman	Liang, Chin-Li	1,832	4,627	0	0	41,692	41,692	96	209	43,620	2.26	46,528	2.41	11,537	13,011	0	0	6,000	0	6,000	0	61,157	3.16	65,539	3.39	36
Director	Yang, Jung-Tang	0	60	0	0	16,677	16,677	102	102	16,779	0.87	16,839	0.87	0	0	0	0	0	0	0	0	16,779	0.87	16,839	0.87	None
Director	Hu, Tai-Tsen	0	60	0	0	16,677	16,677	96	96	16,773	0.87	16,833	0.87	0	0	0	0	0	0	0	0	16,773	0.87	16,833	0.87	None
Independent Director	Yeh, Hui-Hsin	890	890	0	0	0	0	90	90	980	0.05	980	0.05	0	0	0	0	0	0	0	0	980	0.05	980	0.05	None
Independent Director	Yang, Qian	890	890	0	0	0	0	84	84	974	0.05	974	0.05	0	0	0	0	0	0	0	0	974	0.05	974	0.05	None
Independent Director	Wang, Mao-Rong	890	890	0	0	0	0	84	84	974	0.05	974	0.05	0	0	0	0	0	0	0	0	974	0.05	974	0.05	None
Independent Director	Huang, Tzu-Pei	890	890	0	0	0	0	78	78	968	0.05	968	0.05	0	0	0	0	0	0	0	0	968	0.05	968	0.05	None

Note1: Refers to all companies in the consolidated financial statements

Attachment 7: Comparison Table of the Rules of Procedure for Board of Directors Meeting

Article	After The Revision	Before The Revision
Article 3	<p>The company’s board of directors shall meet at least once every quarter. The agenda shall be specified when a meeting is convened and notified to all directors seven days in advance. However, a meeting may be convened at any time in case of emergency.</p> <p>The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.</p> <p>In case of any event under Section 1, Article 8, unless there is an emergency or justifiable reason, the matter shall be included in the agenda for convening the meeting and shall not be raised as motion.</p>	<p>The company’s board of directors shall meet at least once every quarter. The agenda shall be specified when a meeting is convened and notified to all directors seven days in advance. However, a meeting may be convened at any time in case of emergency.</p> <p>The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients.</p> <p>In case of any event under Section 1, Article 8, unless there is an emergency or justifiable reason, the matter shall be included in the agenda for convening the meeting and shall not be raised as motion.</p>
Article 8	<p>The following matters of the company shall be subject to discussion by the board of directors:</p> <ol style="list-style-type: none"> 1. The company’s operational plan. 2. Annual financial report, and financial reports for the second quarter, audited and attested by a certified public accountant (CPA). 3. Adoption or amendment of internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system. 4. Procedure for significant financial activities such as acquisition or disposal of asset, derivative product transaction, capital lending, endorsement or guarantee established or amended in accordance with Article 36-1 of the Securities Transaction Act. 5. Placement, offer or private placement of securities in the nature of share entitlement. 6. <u>If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.</u> 6.7. Dismissal of finance, accounting or internal audit supervisor. 7.8. A donation to a related party or a major donation to a non-related party, provided that a public-interest 	<p>The following matters of the company shall be subject to discussion by the board of directors:</p> <ol style="list-style-type: none"> 1. The company’s operational plan. 2. Annual financial report, and financial reports for the second quarter, audited and attested by a certified public accountant (CPA). 3. Adoption or amendment of internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system. 4. Procedure for significant financial activities such as acquisition or disposal of asset, derivative product transaction, capital lending, endorsement or guarantee established or amended in accordance with Article 36-1 of the Securities Transaction Act. 5. Placement, offer or private placement of securities in the nature of share entitlement. 6. Dismissal of finance, accounting or internal audit supervisor. 7. A donation to a related party or a major donation to a non-related party, provided that a public-interest

Article	After The Revision	Before The Revision
	<p>donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>8.<u>9.</u> Significant matters subject to shareholder resolution or board resolution or rules by the competent authority in accordance with Article 14-3 of the Securities Transaction Act and other legislations or articles of association.</p> <p>The term “related party” in subparagraph 7<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.”</p> <p>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>donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>8. Significant matters subject to shareholder resolution or board resolution or rules by the competent authority in accordance with Article 14-3 of the Securities Transaction Act and other legislations or articles of association.</p> <p>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.”</p> <p>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>
Article 22	<p>These rules were established on June 16, 2009.</p> <p>These rules were amended on November 6, 2020.</p> <p>These rules were amended on November 4, 2022.</p>	<p>These rules were established on June 16, 2009.</p> <p>These rules were amended on November 6, 2020.</p>