

Stock Code: 2539

**SAKURA DEVELOPMENT  
CO., LTD**  
(SAKURA DEVELOPMENT CO.,LTD)

**2022 Annual Shareholders'  
Meeting**

**Meeting Handbook**

Time: 09:30 a. m., June 16, 2022

Venue: B1F, No. 57, Guanqian Rd., West Dist., Taichung  
City (Hotel National)

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# SAKURA DEVELOPMENT CO., LTD

## 2022 Annual Shareholders' Meeting Procedures

- I. Meeting called to order (announcing the respective holding of shareholders present)
- II. Chairman's speech
- III. Reports
- IV. Ratifications
- V. Discussions
- VI. Extempore motions
- VII. Meeting ends

# SAKURA DEVELOPMENT CO., LTD

## 2022 Annual Shareholders' Meeting Agenda

Time: 09:30 a. m. (Thursday), June 16, 2022

Venue: B1F, No. 57, Guanqian Rd., West Dist., Taichung City (Hotel National)

- I. Meeting called to order
- II. Chairman's speech
- III. Reports
  - (1) 2021 Business Report.
  - (2) 2021 Audit Committee's Audit Report.
  - (3) 2021 distribution of remuneration to employees and directors.
- IV. Ratifications
  - (1) 2021 Business Report and financial statements.
  - (2) 2021 earnings distribution proposal.
- V. Discussions
  - (1) Amendment to the Articles of Incorporation.
  - (2) Amendment to the "Procedures for Election of Directors"
  - (3) Amendments to the "Procedures for the Acquisition and Disposal of Assets"
  - (4) Issuance of new shares through capitalization of the 2021 earnings and additional paid-in capital.
- VI. Extempore motions
- VII. Meeting ends

## Reports

### A. 2021 Business Report.

Explanation: The 2021 Business Report has been presented in Attachment I on page 8 of this handbook.

### B. 2021 Audit Committee's Audit Report.

Explanation: The Audit Committees' Report has been presented in Attachment II on page 10 of this handbook.

### C. 2021 distribution of remuneration to employees and directors.

Explanation:

1. According to the Company's Articles of Incorporation, if the Company has profit for the year, no less than 0.5 percent shall be allocated for employee bonus and no more than 2 percent of the income shall be allocated for director remuneration.
2. In 2021, the Company allocated NT\$5,061,413 (approx. 0.52%) as bonus for employees and NT\$8,617,924 (approx. 0.89%) as remuneration for directors. Employee bonuses were paid in cash.

## **Ratifications:**

Case 1: (Proposed by the Board of Directors)

Proposal: The 2021 Business Report and financial statements are hereby submitted for approval.

Explanation:

1. The board of directors has prepared and forwarded the Company's 2021 individual financial statements, which have been audited by auditor I-Chun Chang and auditor Hsin-Shan Teng of BDO Taiwan. The audit Committee has reviewed such statements and the business report.
2. The 2021 Business Report has been presented in Attachment I on page 8 of this handbook.
3. Please refer to Attachment III on pages 12 to 19 of this handbook for the Auditor's Report and financial statements.

Resolution:

Case 2: (Proposed by the Board of Directors)

Proposal: The 2021 Earnings Distribution Proposal is hereby submitted. Please approve.

Explanation:

1. The Company's 2021 after-tax net profit amounted to NT\$753,993,310. After allocating legal reserve pursuant to the laws, the remainder plus opening undistributed earnings became the distributable earnings, which was NT\$949,158,177. The shareholders' dividends to be distributed was NT\$833,358,902 (Stock dividend per share was NT\$1. 1; cash dividend per share was NT\$0. 2); the closing undistributed earnings after distribution was NT\$115,799,275.
2. If subsequent changes such as share repurchase, retirement of share, bond converted to share, issuance of new shares or other reasons affect the number of the Company's outstanding shares, and the dividend rate of the allotment by shareholders changes accordingly, it is proposed that the Board of Directors be fully authorized to handle such matters.

3. The Company's 2021 Earnings Distribution Statement has been presented in Attachment IV on page 20 of this handbook.

Resolution:

## **Discussions:**

Case 1: (Proposed by the Board of Directors)

Proposal: Please discuss the amendment to the Articles of Incorporation.

Explanation: For the comparison table of the revised Articles of Incorporation, see Attachment V on page 21 of this handbook.

Resolution:

Case 2: (Proposed by the Board of Directors)

Proposal: Please discuss the amendment to the regulations governing the election of directors

Explanation: The "Regulations Governing Election of Directors" of the Company is amended and renamed as "Procedures for Election of Directors." Please refer to Attachment VI on page 26 of this handbook for the Table of Comparison of revised articles.

Resolution:

Case 3: (Proposed by the Board of Directors)

Proposal: Please discuss the Amendment to the Operational Procedures for Acquisition and Disposal of Assets.

Explanation: For the comparison table of the procedures for the acquisition and disposal of assets, please refer to attachment VII on page 31 of this handbook.

Resolution:

Case 4: (Proposed by the Board of Directors)

Proposal: Issuance of new shares through capitalization of the 2021 earnings and additional paid-in capital.

Explanation:

1. In order to increase the Company's operating capital, the Company intends to allocate \$705,149,840 of shareholder dividends from its distributable earnings to turn into capital by issuing 70,514,984 shares; and allocating \$192,313,590 from the additional paid-in capital (which is the difference between the par value of shares and the issue price) to turn into capital by issuing 19,231,359 new shares. A total of 89,746,343 shares of common shares were

issued. Each share has a par value of NT\$10.

2. The share dividends are distributed according to the ratio of each shareholder's holding on the record dates at 110 shares from the earning and 30 shares from the additional paid-in capital for every 1,000 shares held.
3. Shareholders allotted fractions of a share may coordinate among themselves to combine and form whole shares shareholders will be paid fractions of the face value in cash. Upon authorization, the Chairman will approach specific persons for possible subscriptions of all fractional shares at par value.
4. The rights and obligations associated with the new shares issued for the capitalization are identical to those associated with the existing common shares.
5. Matters related to the capitalization project are subject to the passing by the Shareholders' Meeting and the approval of the competent authority. Thereafter, the Board of Directors is proposed to be authorized to determine the record date for the share distribution (capital increase) and related matters.
6. If subsequent changes such as share repurchase, retirement of share, bond converted to share, issuance of new shares or other reasons affect the number of the Company's outstanding shares, and the dividend rate of the allotment by shareholders changes accordingly, it is proposed that the Board of Directors be authorized by the Shareholders' Meeting to implement the adjustments to relevant matters.

Resolution:

**Extempore Motions**  
**Meeting Ends**

# SAKURA DEVELOPMENT CO., LTD

## 2021 Business Report

### (I) Implementation of the annual business plan:

The Company's net operating income in 2021 amounted to NT\$4,274,315 thousand, a decrease of NT\$342,177 thousand from that of NT\$4,616,492 thousand in 2020. The net profit after tax for 2021 was NT\$753,993 thousand, a decrease of NT\$ 68,147 thousand from that of NT\$822,140 thousand in 2020.

### (II) Budget implementation:

In accordance with the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company is not required to make a financial forecast in 2021.

### (III) Financial status and profitability

#### 1. Financial status

Unit: NT\$ thousand

Item	2021	2020	YOY growth rate
Operating revenue	4,274,315	4,616,492	-7.41%
Operating costs	2,915,205	3,108,675	-6.22%
Gross operating profit	1,359,110	1,507,817	-9.86%
Operating expenses	374,591	456,698	-17.98%
Operating income	984,519	1,051,119	-6.34%
Net income	753,993	822,140	-8.29%

#### 2. Profitability

Item	2021	2020
ROA (%)	3.87	5.18
ROE (%)	9.28	10.96
Pre-tax profit to paid-in capital ratio (%)	14.93	18.48
Profit ratio (%)	17.64	17.81
EPS (NT\$)	1.18	1.30

### (IV) Research and development

1. Land development: Our professional land developers selected targets for development in areas with convenient transportation developmental potentials, such as parks, parkways, waterfronts, school neighborhoods, with reference to professional advice provided by architects and sales teams.
2. Planning and design: We adhered to the "people-oriented" spirit in our design and planning according to the characteristics of the areas where projects are proposed, creating for customers functional and beautiful products that incorporate the concept of green building to meet market demand.

3. Construction management: We rigorously and fully controlled the quality, progress and costs of construction projects to ensure the safety of construction sites.
4. Customer Service: We uphold the concept of sustainable management, listen to customers' voices and fulfill customer service.

Chairman: Cheng-Gang Chen

President: Shih-Ying Chen

Accounting Supervisor: Shu-Chen Shen

SAKURA DEVELOPMENT CO., LTD  
Audit Committee's Report

The Company's individual financial statements, business report, and earnings distribution proposal for the year 2021 have been approved by the Audit Committee and passed by the Board of Directors. In particular, the Company's individual financial statements have been audited by auditor I-Chun Chang and auditor Hsin-Shan Teng of BDO Taiwan, who have also issued an audit report containing an unqualified opinion.

The Audit Committee is responsible for supervising the Company's financial reporting processes.

The auditors verified the Company's individual financial statements for 2021 and communicated with the Audit Committee on the following matters:

1. There are currently no major issues found within the scope and period of the matters being audited.

2. The auditors have also provided a statement that the personnel from the accounting firm to which they are affiliated who are regulated by regulations of independence have maintained independence as provided in the Professional Ethics Standards, and they have not found any relations that may affect the auditors' independence and other matters.

3. During the communication between the auditors and the Audit Committee on the key audit items, the following two points were determined as the key audit items that shall be communicated in the audit report:

(1) Real estate is a main source of operating income for the Company and the risk of material misstatements lies in the authenticity of revenue recognition. Because operating revenue involves business performance, it is possible that the management failed to follow relevant regulations and performed early or deferred recognition to reach expected net income, which may in turn lead to material misstatements of profit and loss. Therefore, the testing of revenue recognition is one of the key items for assessment in our audit of the Company's individual financial statements, and is thus included in the key audit items.

(2) The inventories of the Company are an important asset for its operations, and their amount accounts for 90.50% of the Company's total assets. Whether the prices and procedures of inventories (lands held for construction sites) comply with relevant laws and regulations will affect the rights and interests of shareholders in individual financial statements. In addition, inventory valuation is handled in accordance with the International Accounting Standards No. 2. Any improper valuation of net realizable value will lead to misstatements in individual financial statements. Therefore, the testing of inventory acquisition and revaluation is an important item for our audit of individual financial statements by the Company and is thus included as a key audit item.

The Company's 2021 individual financial statements, business reports, and earnings distribution proposals approved by the Audit Committee and passed by the Board of Directors are in compliance with applicable laws and regulations, and are reported in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the

Company Act as above.

Please review and approve.

Best regards

2022 Annual Shareholders' Meeting of Sakura Development Co., Ltd

SAKURA DEVELOPMENT CO., LTD

Audit Committee convener: Kuei-Yuan Wang

March 21, 2022

## **Independent Auditor's Report**

Dear SAKURA DEVELOPMENT CO., LTD:

### **Auditing opinion**

We have audited the individual balance sheets of SAKURA DEVELOPMENT CO., LTD as of December 31 of the years 2021 and 2020, Yearly Income Statement, Statement of Changes in Equity and Cash Flow Statement for January 1 to December 31 of the years 2021 and 2020, ending in their respective, stipulated dates.

In our opinion, the individual financial statements referred to in the preceding paragraph are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards, International Accounting Standards, and explanations/interpretations approved by Financial Supervisory Commission (FSC), and therefore are sufficient in presenting the financial condition of SAKURA DEVELOPMENT CO., LTD as of December 31, 2021 and 2020, and individual financial performance and individual cash flows for January 1 to December 31 of the years 2021 and 2020.

### **Foundation of auditing opinions**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards. Our responsibilities under these standards will be further explained in the section on auditor's responsibilities in auditing individual financial statements. The personnel subject to independence regulations of the accounting firm to which we are affiliated have maintained independence from SAKURA DEVELOPMENT CO., LTD in accordance with the Professional Ethics Standards for auditors, and have fulfilled other responsibilities under the said standards. We believe that sufficient and appropriate audit evidence have been obtained as a foundation for expressing audit opinions.

### **Key audit items**

The "key audit items" refer to the most important items in the audit of individual financial statements of SAKURA DEVELOPMENT CO., LTD for the year 2021 based on the auditor's professional judgment. We have responded to these items in the process of auditing individual financial statements as a whole and forming auditing opinions. We do not express opinions on these items separately. In our judgment, the key audit items that shall be communicated in the audit report include the following:

#### **Revenue recognition**

For accounting policies of revenue recognition, please see Note 4 (16) on revenue cognition in individual financial statements. For details of revenue, please see Note 6 (18) on operating revenue in individual financial statements.

Real estate is a main source of operating income for SAKURA DEVELOPMENT CO., LTD, and the risk of material misstatements lies in the authenticity of revenue recognition. Because operating revenue involves business performance, it is possible that the management failed to follow relevant regulations and performed early or deferred recognition to reach expected net income, which may in turn lead to material misstatements of profit and loss. Therefore, the testing of revenue recognition is one of the key items for assessment in our audit of SAKURA DEVELOPMENT CO., LTD's individual financial statements, and is thus included in the key audit items.

Our main audit procedures include:

- Performing tests on the control of sales and payment collection cycles, and evaluating the control to prevent and detect errors and fraud in revenue recognition;
- Performing detailed analytical procedures for operating revenue to confirm whether the revenue is recognized in the appropriate period;
- Implementing verification tests and random reviews of sales contracts and documents of real estate ownership transfer the Company and customers to evaluate whether the revenue recognition policies of SAKURA DEVELOPMENT CO., LTD are implemented in accordance with applicable standards.

#### **Acquisition and revaluation of inventories (constructions in progress)**

For the accounting policies of inventory acquisition and valuation, please refer to Note 4 (6) on inventories in individual financial statements; for the details of inventories, please refer to Note 6 (3) on the inventories of individual financial statements.

The inventories of SAKURA DEVELOPMENT CO., LTD are an important asset for its operations, and their amount accounts for 90.50% of the Company's total assets. Whether the prices and procedures of inventories (lands held for construction sites) comply with relevant laws and regulations will affect the rights and interests of shareholders in individual financial statements. In addition, inventory valuation is handled in accordance with the International Accounting Standards No. 2. Any improper valuation of net realizable value will lead to misstatements in individual financial statements. Therefore, the testing of inventory acquisition and revaluation is an important item for our audit of individual financial statements by SAKURA DEVELOPMENT CO., LTD, and is thus included as a key audit item.

Our main audit procedures include:

- Checking whether the processes and prices of the acquisition of lands held for construction sites comply with the provisions of Regulations Governing the Acquisition and Disposal of Assets by Public Companies;
- Reviewing the purchase and sales contracts of lands held for construction sites to confirm whether the amounts and schedules for land purchase payments are consistent with the agreements in the contracts;
- Obtaining the data evaluating the net realizable value of SAKURA DEVELOPMENT CO., LTD's inventories; randomly verifying signed sales contracts; and, with reference to the latest real estate transaction prices announced by the Ministry of the Interior or transaction prices obtained from neighboring areas, converting the average price into the net realizable value of buildings and lands held for sale to compare and identify any

material differences; And obtaining SAKURA DEVELOPMENT CO., LTD's investment return analysis table for each project of lands held for construction sites and constructions in progress, and comparing them with market conditions to evaluate whether the net realizable value of the aforementioned inventories is adequately stated.

### **Responsibilities of the management and governance units in individual financial statements**

The management's responsibility is to prepare individual financial statements with adequate statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards, International Accounting Standards, and explanations/interpretations approved by the FSC, and to maintain internal control essential for the preparation of individual financial statements to ensure that individual financial statements do not contain material misstatements due to fraud or errors.

When preparing individual financial statements, the management's responsibilities also include assessing the ability of SAKURA DEVELOPMENT CO., LTD to continue its business, disclosing related matters, and adopting the accounting basis for continuation, unless the management intends to liquidate SAKURA DEVELOPMENT CO., LTD or discontinue business, or does not have other viable plans than liquidation or discontinuance.

The governance unit of SAKURA DEVELOPMENT CO., LTD is responsible for supervising financial reporting processes.

### **Auditor's responsibilities in auditing individual financial statements**

The objective of our audit of individual financial statements is to obtain reasonable assurance as to whether the individual financial statements as a whole contain any material false misstatements resulting from fraud or errors, and to issue an audit report. Reasonable assurance is a high degree of certainty. However, audits implemented in accordance with generally accepted auditing standards cannot guarantee that material misstatements in individual financial statements will be detected. Misstatements may result from fraud or errors. If individual amounts or aggregated figures that are misrepresented can be reasonably expected to affect the economic decisions made by users of individual financial statements, such misrepresentations are considered material.

When conducting audits in accordance with generally accepted auditing standards, we use professional judgment and maintain professional skepticism. We also perform the following tasks:

1. Identifying and assessing the risk of material misstatements in individual financial statements resulting from fraud or errors; developing and implementing appropriate response measures for risks assessed; and obtaining sufficient and appropriate audit evidence as a foundation for auditing opinions. Because fraud may involve collusions, forgeries, deliberate omissions, false statements, or violations of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than that resulting from errors.
2. Obtaining the necessary understanding of the internal control pertaining to the audit in order to devise audit procedures suitable for the current circumstances, which is

not, however, to express an opinion on the effectiveness of the internal control of SAKURA DEVELOPMENT CO., LTD.

3. Evaluating the appropriateness of the accounting policies adopted by the management and the reasonableness of accounting estimates and related disclosures.
4. Making conclusions, based on the evidence obtained from the audit, on the adequacy of the management's use of the accounting basis for continuance and whether there is material uncertainty in events or situations that may raise material doubts about the ability of SAKURA DEVELOPMENT CO., LTD to continue. If we believe that there are material uncertainties in these events or circumstances, we must remind the users of individual financial statements in the audit report to pay attention to the relevant disclosures in the individual financial statements, or amend the audit opinions when such disclosures are inappropriate. Our conclusions are based on the auditing evidence obtained as of the date of the audit report. However, future events or conditions may cause SAKURA DEVELOPMENT CO., LTD to cease to continue.
5. Evaluating the overall statement, structure, and contents of single financial statements (including notes) as well as whether single financial statements adequately represent relevant transactions and events.

The items for communication between us and governance units include the scope and time planned for the audit and major discoveries in the audit (including significant weaknesses of internal control identified during the audit).

We have also provided a statement that the personnel from the accounting firm to which we are affiliated who are regulated by regulations of independence have maintained independence as provided in the Professional Ethics Standards, and have communicated with governance units on all relations that may affect auditor independence and other matters (including relevant preventive measures).

Based on the matters communicated with the governance unit, we have determined the key items for the audit of individual financial statements of SAKURA DEVELOPMENT CO., LTD for 2021. We state these matters in our audit report. Unless prohibited by law to disclose specific matters publicly, or in very rare circumstances, we decided not to communicate specific matters in the audit report, as the negative effects of this communication can be reasonably expected to generate greater negative impact than promote public interests.

BRO Taiwan

Auditor: I-Chun Chang

Auditor: Hsin-Shan Teng

Securities affairs competent authority approval No.  
(2010) Jin-Guan-Zheng-Shen-Zi No. 0990073519

Securities affairs competent authority approval No.  
(2017) Jin-Guan-Zheng-Shen-Zi No. 1060043268

March 21, 2022

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

## SAKURA DEVELOPMENT CO., LTD

### Individual Balance Sheet

December 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollars)

Code	Assets	Notes	December 31, 2021		December 31, 2020		Code	Liabilities	Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%				Amount	%	Amount	%
	Current assets						Current liabilities						
1100	Cash and cash equivalents	4. 6(1)	\$165,735	0.79	\$155,492	0.86	2100	Short-term borrowings	4. 6(10)	\$1,594,900	7.59	\$1,454,600	8.02
1150	Notes receivables, net	4. 6(2)	-	-	174	-	2110	Short-term notes payables	4. 6(11)	1,059,178	5.04	2,353,151	12.97
1170	Account receivables, net	4. 6(2)	1,427	0.01	32,216	0.18	2130	Contract liabilities - current	4. 6(18)	1,576,139	7.50	1,118,952	6.17
130x	Inventories	4. 6(3). 7(2). 8	19,012,046	90.50	16,359,447	90.17	2150	Notes payables		824	-	7,633	0.04
1410	Prepayments	4. 6(4)	13,001	0.06	16,447	0.09	2170	Accounts payables		478,434	2.28	474,505	2.62
1476	Other current financial assets	4. 6(5). 8	1,339,310	6.38	1,125,013	6.20	2180	Accounts payable from related parties	7(2)	-	-	27,953	0.15
1479	Other current assets	4. 6(6)(18)	358,541	1.70	345,723	1.90	2200	Other payables		493,108	2.35	427,765	2.36
11xx	Total current assets		<u>20,890,060</u>	<u>99.44</u>	<u>18,034,512</u>	<u>99.40</u>	2230	Current income tax liabilities	4. 6(21)	199,833	0.95	209,889	1.16
	Non-current assets						2250	Provisions		1,844	0.01	828	-
1600	Property, plant and equipment	4. 6(7). 8	55,643	0.26	52,222	0.29	2280	Lease liabilities - current	4. 6(8)	347	-	1,374	0.01
1755	Right-of-use assets	4. 6(8)	723	-	1,344	0.01	2320	Long-term liabilities - current portion	4. 6(13)	3,100,000	14.76	706,000	3.89
1760	Investment property, net	4. 6(9)	23,420	0.11	23,420	0.13	2300	Other current liabilities		59,006	0.28	19,001	0.10
1780	Intangible assets	4	1,997	0.01	400	-	21xx	Total current liabilities		<u>8,563,613</u>	<u>40.76</u>	<u>6,801,651</u>	<u>37.49</u>
1840	Deferred income tax assets	4. 6(21)	1,788	0.01	1,729	0.01		Non-current liabilities					
1920	Refundable deposits		34,498	0.17	29,218	0.16	2500	Financial liabilities at fair value through profit or loss - non-current	6(12)	278	-	251	-
15xx	Total non-current assets		<u>118,069</u>	<u>0.56</u>	<u>108,333</u>	<u>0.60</u>	2530	Bonds payable	4. 6(12)	160,472	0.77	239,320	1.32
							2540	Long-term borrowings	4. 6(13)	3,789,200	18.04	3,334,000	18.38
							2580	Lease liabilities - non-current	4. 6(8)	383	-	-	-
							2645	Deposits received		4,902	0.02	462	-
							25xx	Total non-current liabilities		<u>3,955,235</u>	<u>18.83</u>	<u>3,574,033</u>	<u>19.70</u>
							2xxx	Total liabilities		<u>12,518,848</u>	<u>59.59</u>	<u>10,375,684</u>	<u>57.19</u>
								Equity					
							3100	Capital stock					
							3110	Common stock	6(15)	6,398,681	30.46	5,584,827	30.78
							3130	Bond conversion entitlement certificates	6(15)	11,772	0.06	4,346	0.02
							3200	Capital surplus	6(16)	212,580	1.01	171,465	0.95
							3300	Retained earnings	6(17)				
							3310	Legal reserve		841,691	4.01	759,477	4.19
							3350	Unappropriated earnings		1,024,557	4.87	1,247,046	6.87
							3xxx	Total equity		<u>8,489,281</u>	<u>40.41</u>	<u>7,767,161</u>	<u>42.81</u>
1xxx	Total assets		<u>\$21,008,129</u>	<u>100.00</u>	<u>\$18,142,845</u>	<u>100.00</u>		Total liabilities and equity		<u>\$21,008,129</u>	<u>100.00</u>	<u>\$18,142,845</u>	<u>100.00</u>

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

Chairman: Cheng-Gang Chen

President: Shih-Ying Chen

Accounting Supervisor: Shu-Chen Shen

**SAKURA DEVELOPMENT CO., LTD****Individual Statements of Comprehensive Income****For the years ended December 31, 2021 and 2020**

(Expressed in thousands of New Taiwan Dollars, Except for earnings per share)

Code	Item	Notes	2021		2020	
			Amount	%	Amount	%
4000	<b>Operating revenue</b>	4. 6(18).7(2)	\$4,274,315	100.00	\$4,616,492	100.00
5000	<b>Operating costs</b>		(2,915,205)	(68.20)	(3,108,675)	(67.34)
5900	<b>Operating margin</b>		1,359,110	31.80	1,507,817	32.66
5950	<b>Net operating margin</b>		1,359,110	31.80	1,507,817	32.66
	<b>Operating expenses</b>	6(14)(20)				
6100	Selling expenses		(283,252)	(6.63)	(377,338)	(8.17)
6200	Administrative expenses		(91,339)	(2.14)	(79,360)	(1.72)
6000	<b>Total operating expenses</b>		(374,591)	(8.77)	(456,698)	(9.89)
6900	<b>Net operating income</b>		984,519	23.03	1,051,119	22.77
	<b>Non-operating income and expenses</b>	6(19)				
7100	Interest income		477	0.01	561	0.01
7010	Other income		1,848	0.04	888	0.02
7020	Other gains and losses, net		(607)	(0.01)	(954)	(0.02)
7050	Finance costs, net		(29,212)	(0.68)	(18,958)	(0.41)
7000	<b>Total non-operating income and expenses</b>		(27,494)	(0.64)	(18,463)	(0.40)
7900	<b>Profit before income tax</b>		957,025	22.39	1,032,656	22.37
7950	Income tax expenses	4. 6(21)	(203,032)	(4.75)	(210,516)	(4.56)
8200	<b>Profit for the period</b>		753,993	17.64	822,140	17.81
8500	<b>Total comprehensive income for the period</b>		\$753,993	17.64	\$822,140	17.81
	<b>Earnings per share (in dollars):</b>	4. 6(22)				
9750	<b>Basic earnings per share</b>		\$1.18		\$1.30	
9850	<b>Diluted earnings per share</b>		\$1.16		\$1.28	

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

Chairman: Cheng-Gang Chen

President: Shih-Ying Chen

Accounting Supervisor: Shu-Chen Shen

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

**SAKURA DEVELOPMENT CO., LTD**

**Individual Statements of Changes In Equity**

**For the years ended December 31, 2021 and 2020**

(Expressed in thousands of New Taiwan Dollars)

	Capital stock			Retained earnings		Total equity
	Common stock	Bond conversion entitlement certificates	Capital surplus	Legal reserve	Unappropriated earnings	
Balance at January 1, 2020	\$4,632,433	\$5,454	\$65,943	\$610,626	\$1,918,744	\$7,233,200
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	-	148,851	(148,851)	-
Cash dividends	-	-	-	-	(463,789)	(463,789)
Stock dividends	881,198	-	-	-	(881,198)	-
Conversion of Bond conversion entitlement certificates	5,454	(5,454)	-	-	-	-
Conversion of convertible bonds	65,742	4,346	105,495	-	-	175,583
Unclaimed cash dividends transferred to capital surplus	-	-	27	-	-	27
Net income in 2020	-	-	-	-	822,140	822,140
Total comprehensive income in 2020	-	-	-	-	822,140	822,140
Balance at December 31, 2020	\$5,584,827	\$4,346	\$171,465	\$759,477	\$1,247,046	\$7,767,161
Balance at January 1, 2021	\$5,584,827	\$4,346	\$171,465	\$759,477	\$1,247,046	\$7,767,161
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	-	82,214	(82,214)	-
Cash dividends	-	-	-	-	(111,784)	(111,784)
Stock dividends	782,484	-	-	-	(782,484)	-
Conversion of Bond conversion entitlement certificates	4,346	(4,346)	-	-	-	-
Conversion of convertible bonds	27,024	11,772	41,067	-	-	79,863
Unclaimed cash dividends transferred to capital surplus	-	-	48	-	-	48
Net income in 2021	-	-	-	-	753,993	753,993
Total comprehensive income in 2021	-	-	-	-	753,993	753,993
Balance at December 31, 2021	\$6,398,681	\$11,772	\$212,580	\$841,691	\$1,024,557	\$8,489,281

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

Chairman: Cheng-Gang Chen

President: Shih-Ying Chen

Accounting Supervisor: Shu-Chen Shen

**SAKURA DEVELOPMENT CO., LTD****Individual Statements of Cash Flows****For the years ended December 31, 2021 and 2020**

(Expressed in thousands of New Taiwan Dollars)

Item	2021	2020
Cash flow from operating activities:		
Profit before income tax for the period	\$957,025	\$1,032,656
Adjustments for:		
Depreciation expense	5,049	4,337
Amortization expense	811	205
Net (gains) losses on financial assets and liabilities at fair value through profit and loss	25	(670)
Losses on disposal of property, plant and equipment	45	-
Interest expense	29,212	18,958
Interest income	(477)	(561)
Subtotal	34,665	22,269
Change in operating assets and liabilities:		
Change in operating assets		
Decrease (increase) in notes receivable	174	18,427
Decrease (increase) in accounts receivable	30,789	88,847
Decrease (increase) in inventories(construction-in-progress)	(2,516,677)	(4,172,629)
Decrease (increase) in prepayments	3,446	(13,612)
Decrease (increase) in other current financial assets	(214,297)	(643,351)
Decrease (increase) in other current assets	(12,818)	(176,408)
Total net change in operating assets	(2,709,383)	(4,898,726)
Change in operating liabilities		
Increase (decrease) in notes payable	(6,809)	6,196
Increase (decrease) in accounts payable	3,929	32,715
Increase (decrease) in accounts payable from related parties	(27,953)	27,953
Increase (decrease) in other payables	63,354	(55,970)
Increase (decrease) in provisions	1,016	(2,353)
Increase (decrease) in contract liabilities	457,187	498,504
Increase (decrease) in other current liabilities	40,005	(27,521)
Total net change in operating assets and liabilities	530,729	479,524
Total net change in operating assets and liabilities	(2,178,654)	(4,419,202)
Total adjustments	(2,143,989)	(4,396,933)
Cash generated from operating activities	(1,186,964)	(3,364,277)
Interests received	477	561
Interests paid (including interest capitalization)	(162,097)	(107,755)
Income tax paid	(213,147)	(114,068)
Net cash provided by (used in) operating activities	(1,561,731)	(3,585,539)
Cash flow from investing activities:		
Acquisition of property, plant and equipment	(6,853)	(747)
Acquisition of intangible assets	(2,408)	(427)
Decrease (increase) in refundable deposits	(5,280)	7,740
Net cash provided by (used in) investing activities	(14,541)	6,566
Cash flow from financing activities:		
Increase (decrease) in short-term borrowings	140,300	440,000
Increase in short-term notes payables	959,144	2,777,377
Decrease in short-term notes payables	(2,253,117)	(932,195)
Increase in long-term borrowings	3,146,100	2,191,823
Repayment of long-term borrowings	(296,900)	(919,000)
Payment of lease liabilities	(1,716)	(1,514)
Increase (decrease) in deposits received	4,440	(3,180)
Cash dividends paid	(111,784)	(463,789)
Unclaimed cash dividends transferred to capital surplus	48	27
Net cash provided by (used in) financing activities	1,586,515	3,089,549
Net increase (decrease) in cash and cash equivalents	10,243	(489,424)
Cash and cash equivalents at the beginning of the year	155,492	644,916
Cash and cash equivalents at the end of the year	\$165,735	\$155,492

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

Chairman: Cheng-Gang Chen

President: Shih-Ying Chen

Accounting Supervisor: Shu-Chen Shen

SAKURA DEVELOPMENT CO., LTD  
Earnings Distribution Statement  
2021

Unit: NT\$

<b>Opening undistributed earnings</b>		<b>270,564,198</b>
Add: after-tax net profit of the current period		753,993,310
Subtract: provision for legal reserve (10%)		(75,399,331)
<b>Distributable earnings</b>		<b>949,158,177</b>
Items for distribution:		
Dividends to shareholders: stock (NT\$1.1 per share)	(705,149,840)	
Dividends to shareholders: cash (NT\$0.2 per share)	(128,209,062)	(833,358,902)
<b>Closing undistributed earnings</b>		<b>115,799,275</b>

Note: The current cash dividends are rounded down to the nearest NTD based on the distribution ratio, and the total of fractional amounts that are less than NT\$1 has been counted towards the Company's other income.

Chairman: Cheng-Gang Chen

President: Shih-Ying Chen

Head accountant: Shu-Chen Shen

## SAKURA DEVELOPMENT CO., LTD

Table of Comparison of the Revised Articles of Incorporation

Amended articles	Existing articles	Explanation
<p>Article 6: The Company's shares shall be registered, affixed with the signature or seal of the director representing the Company, and legally authenticated by the bank issuing share certificates prior to issuance. <u>The company is not required to print share certificates. Nevertheless,</u> it shall register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.</p>	<p>Article 6: The Company's shares shall be registered, affixed with the signature or seal of the director representing the Company, and legally authenticated by the bank issuing share certificates prior to issuance. <u>Companies that do not print share certificates in accordance with the provision in the preceding paragraph</u> shall register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.</p>	Revised wording.
<p>Article 9: The entries in the <u>shareholders' roster shall not be altered</u> within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.</p>	<p>Article 9: <u>Title transfer of stocks</u> may not be made within sixty days before the AGM is held, within thirty days before a shareholders' provisional meeting is held, or within five days before the base date for distribution of stock dividends and bonuses or other benefits determined by ASE.</p>	Revised wording.

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<p>Article 10: Shareholders' meetings include annual <u>shareholders'</u> meetings and extraordinary meetings. Annual shareholders' meetings <u>shall be</u> convened within six months after the end of each fiscal year and notified to</p>	<p>Article 10: Shareholders' meetings include ordinary meetings and extraordinary meetings. Ordinary meetings shall be <u>convened once annually</u> within six months after the end of each fiscal year and notified to the shareholders</p>	<p>In accordance with the amendment of the Company</p>
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Amended articles	Existing articles	Explanation
<p>the shareholders thirty days before taking place. Extraordinary meetings will be held according to the law whenever necessary and shall be notified to the shareholders fifteen days before taking place.</p> <p>The aforementioned notification shall specify the date, venue, and reason(s) of such meeting either in written or electronic form to the shareholders, or alternatively via public announcement to shareholders holding fewer than 1,000 shares.</p> <p><u>The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</u></p>	<p>thirty days before taking place. Extraordinary meetings will be held according to the law whenever necessary and shall be notified to the shareholders fifteen days before taking place.</p> <p>The aforementioned notification shall specify the date, venue, and reason(s) of such meeting either in written or electronic form to the shareholders, or alternatively via public announcement to shareholders holding fewer than 1,000 shares.</p> <p><u>Unless otherwise specified by the Company Act, shareholders' meetings are convened by the Board of Directors.</u></p>	<p>Act, the shareholders' meeting of the Company may be held by means of visual meeting or other means announced by the central competent authority. The wording is hence revised accordingly.</p>
<p>Article 12:</p> <p><u>If a shareholders' meeting is convened by the board of directors, the chairman of the meeting shall be the</u> chairman of the board of directors.</p> <p>In case the or an executive director is on leave or unable to exercise his/her functional duties for any reason, a shareholder shall be designated to act on his/her behalf; and if no representative is so designated, the representative shall be elected by the shareholders from among themselves.</p> <p>For shareholders' meetings convened by any authorized party other than the Board of Directors, the convener will act as the chair of the meeting. If there are two or more conveners at</p>	<p>Article 12:</p> <p><u>Unless otherwise required by the Company Act, shareholders' meetings are convened by the Board of Directors and chaired by the Chairman of the Board of Directors.</u> In case the or an executive director is on leave or unable to exercise his/her functional duties for any reason, a shareholder shall be designated to act on his/her behalf; and if no representative is so designated, the representative shall be elected by the shareholders from among themselves.</p> <p>For shareholders' meetings convened by any authorized party other than the Board of Directors, the convener will act as the chair of the meeting. If there are two or more conveners at</p>	<p>Revised wording.</p>

Amended articles	Existing articles	Explanation
the same time, one shall be appointed from among them to chair the meeting.	the same time, one shall be appointed from among them to chair the meeting.	
<p>Article 16:  The Company has five to nine directors, who shall be elected in a shareholders' meeting from a list of nominees with disposing capacity to serve a term of three years and may be eligible for re-election.  The number of directors stated in the <u>preceding paragraph</u> shall include at least <u>three</u> independent directors.  All matters regarding the eligibility for independent directors will be handled in accordance with applicable laws and regulations.  (Omitted hereinafter)</p>	<p>Article 16:  The Company has five to nine directors, who shall be elected in a shareholders' meeting from a list of nominees with disposing capacity to serve a term of three years and may be eligible for re-election.  The number of independent directors shall be <u>no less than two</u> and <u>no less than one-fifth of the total number of directors.</u> All matters regarding the eligibility for independent directors will be handled in accordance with applicable laws and regulations.  (Omitted hereinafter)</p>	Revised wording.
Article 23-2: Deleted.	Article 23-2: Deleted.	Revised wording.

Amended articles	Existing articles	Explanation
<p>Article 33.            These Articles of Incorporation were established on March 26, 1987.            The first amendment was made on May 8, 1990.            The second amendment was made on June 8, 1992.            The third amendment was made on January 22, 1994.            The fourth amendment was made on September 1, 1994.            The fifth amendment was made on July 29, 1995.            The sixth amendment was made on April 30, 1996.            The seventh amendment was made on April 29, 1997.            The eighth amendment was made on March 17, 1998.            The ninth amendment was made on June 22, 2000.            The tenth amendment was made on June 27, 2002.            The eleventh amendment was made on June 30, 2003.            The twelfth amendment was made on June 30, 2003.            The thirteenth amendment was made on June 16, 2004.            The fourteenth amendment was made on June 27, 2005.            The fifteenth amendment was made on June 9, 2006.            The sixteenth amendment was made on June 28, 2007.            The seventeenth amendment was made on June 22, 2010.            The eighteenth amendment was made on June 20, 2012.            The nineteenth amendment was made on June 20, 2014.            The twentieth amendment was made on June 17, 2016.            The twentieth-first amendment was made on June 16, 2017.            The twentieth-second amendment was made on June 6, 2019.            The twentieth-third amendment was made on June 10, 2020.            The twentieth-fourth amendment was made on July 13, 2021.  <u>The twentieth-fifth amendment was made on June 16, 2022.</u></p>	<p>Article 33.            These Articles of Incorporation were established on March 26, 1987.            The first amendment was made on May 8, 1990.            The second amendment was made on June 8, 1992.            The third amendment was made on January 22, 1994.            The fourth amendment was made on September 1, 1994.            The fifth amendment was made on July 29, 1995.            The sixth amendment was made on April 30, 1996.            The seventh amendment was made on April 29, 1997.            The eighth amendment was made on March 17, 1998.            The ninth amendment was made on June 22, 2000.            The tenth amendment was made on June 27, 2002.            The eleventh amendment was made on June 30, 2003.            The twelfth amendment was made on June 30, 2003.            The thirteenth amendment was made on June 16, 2004.            The fourteenth amendment was made on June 27, 2005.            The fifteenth amendment was made on June 9, 2006.            The sixteenth amendment was made on June 28, 2007.            The seventeenth amendment was made on June 22, 2010.            The eighteenth amendment was made on June 20, 2012.            The nineteenth amendment was made on June 20, 2014.            The twentieth amendment was made on June 17, 2016.            The twentieth-first amendment was made on June 16, 2017.            The twentieth-second amendment was made on June 6, 2019.            The twentieth-third amendment was made on June 10, 2020.            The twentieth-fourth amendment was made on July 13, 2021.</p>	

## SAKURA DEVELOPMENT CO., LTD

Table of Comparison of Revised Procedures for Election of Directors

Amended articles	Existing articles	Explanation
<u>Procedures for Election of Directors</u>	<u>Regulations Governing Election of Directors</u>	In accordance with the
<p><u>Article 1</u>  <u>To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.</u></p>	<p>1. <u>The election of the directors of the Company shall be conducted in accordance with these regulations.</u></p> <p>2. <u>The cumulative single voting method shall be used for election of the directors at the Company. Each share with voting right will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.</u></p>	<p>letter Tai-Cheng-Chih-Li Tzu No. 1090009468 published by Taiwan Stock Exchange, the name of the Company's Regulations Governing Election of Directors and the full text of Article 13 thereof are amended.</p>
<p><u>Article 2</u>  <u>Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.</u></p>	<p><u>The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. Attendance numbers may be used instead of recording the names of voting shareholders.</u></p>	
<p><u>Article 3</u>  <u>The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:</u></p> <p><u>1. Basic requirements and values: Gender, age, nationality, and culture.</u></p> <p><u>2. Professional knowledge and skills: A professional background (e. g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.</u></p> <p><u>Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:</u></p>	<p><u>The election of independent directors shall be based on a candidate nomination system, and shareholders shall elect independent directors from a list of candidates according to the number of positions available. The qualifications of independent directors shall comply with Articles 2, Article 3 and Article 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".</u></p> <p>3. <u>The board of directors of a company shall be elected by the shareholders' meeting from among the persons with disposing capacity. The number of directors</u></p>	

Amended articles	Existing articles	Explanation
<p>1. <u>The ability to make judgments about operations.</u></p> <p>2. <u>Accounting and financial analysis ability.</u></p> <p>3. <u>Business management ability.</u></p> <p>4. <u>Crisis management ability.</u></p> <p>5. <u>Knowledge of the industry.</u></p> <p>6. <u>An international market insight.</u></p> <p>7. <u>Leadership ability.</u></p> <p>8. <u>Decision-making ability.</u></p> <p><u>More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.</u></p> <p><u>The board of directors of this Corporation shall consider adjusting its composition based on the results of the performance evaluation.</u></p> <p><u>Article 4</u></p> <p><u>The qualifications and elections for the independent directors of the Company shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.</u></p> <p><u>Article 5</u></p> <p><u>Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</u></p> <p><u>When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a director by-election at the next following shareholders meeting.</u></p> <p><u>When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting</u></p>	<p><u>will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes.</u></p> <p><u>When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</u></p> <p>4. <u>The chair, before the beginning of the election, shall appoint a number of monitoring and counting personnel to perform the respective duties of voting.</u></p> <p>5. <u>The ballot boxes shall be prepared by the Board of Directors and shall be opened and tested by the scrutineers in public before the voting.</u></p> <p>6. <u>If the candidate is a shareholder, the voter shall fill in the name in the "Candidate" column of the ballot with the candidate's shareholder account name. If the candidate is not a shareholder, the name and the Identification Document Number shall be filled in the ballot. However, when the government or corporate shareholder is a candidate, the title of the government or corporate shall be filled in the "Candidate" column of the ballot with the name of its representative stated. If there is more than one representative appointed, The representative's name shall be</u></p>	

Amended articles	Existing articles	Explanation
<p><u>within 60 days of the occurrence of that fact to hold a director by-election.</u></p> <p><u>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy.</u></p> <p><u>When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</u></p> <p><u>Article 6</u>  <u>The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.</u></p> <p><u>Article 7</u>  <u>The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</u></p> <p><u>Article 8</u>  <u>The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same</u></p>	<p><u>listed separately.</u></p> <p>7. <u>An election ballot is invalid under any of the following circumstances:</u></p> <p><u>(1) The ballot was not prepared by the board of directors.</u></p> <p><u>(2) A blank ballot is placed in the ballot box.</u></p> <p><u>(3) The writing is unclear and indecipherable or has been altered.</u></p> <p><u>(4) The candidate whose name is entered in the ballot is a shareholder and his/her account name and shareholder account number do not conform to the shareholder registry, or the candidate whose name is entered in the ballot is not a shareholder and does not conform to the name and identification document number provided.</u></p> <p><u>(5) Other words or marks are entered in addition to the account name (person's name) and number of voting rights allocated to the candidate and the shareholder number (or identification document number).</u></p> <p><u>(6) If the name of the candidate is the same as that of other shareholders, but the shareholder's account number or identification number is not included for identification purposes.</u></p> <p><u>(7) Two or more candidates are listed on a single ballot.</u></p> <p>8. <u>The voting rights shall be calculated on-site immediately after the end of the poll; and the results of the calculation shall be announced by the chair on the</u></p>	

Amended articles	Existing articles	Explanation
<p>number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</p> <p><u>Article 9</u>  <u>The chairperson, before the beginning of the election, shall appoint a number of monitoring and counting personnel, who have shareholder identities, to perform the respective duties of voting. The ballot boxes shall be prepared by the Board of Directors and shall be opened and tested by the scrutineers in public before the voting.</u></p> <p><u>Article 10</u>  <u>An election ballot is invalid under any of the circumstances listed on the left:</u>  <u>1. The ballot was not prepared by a person with the right to convene.</u>  <u>2. A blank ballot is placed in the ballot box.</u>  <u>3. The writing is unclear and indecipherable or has been altered.</u>  <u>4. The candidate whose name is entered in the ballot does not conform to the director candidate list.</u>  <u>5. Other words or marks are entered in addition to the number of voting rights allotted.</u></p> <p><u>Article 11</u>  <u>The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.</u>  <u>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until</u></p>	<p><u>site.</u></p> <p>9. <u>The board of directors of the Company shall issue notifications to the persons elected as directors.</u></p> <p>10. <u>Matters not specified in the “Regulations” shall be handled in accordance with the provisions of the Company Act, the Articles of Incorporation, and relevant law and regulations.</u></p> <p>11. <u>These regulations, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</u></p>	

Amended articles	<u>Existing articles</u>	Explanation
<p>the end of the proceedings.</p> <p><u>Article 12</u>  <u>The board of directors of the Company shall issue notifications to the persons elected as directors.</u></p> <p><u>Article 13</u>  <u>These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</u></p>		

## SAKURA DEVELOPMENT CO., LTD

### The “Procedures for the Acquisition and Disposal of Assets” amendments list

Amended articles	Existing articles	Explanation
<p>Article 2. The scope of <u>assets</u>.</p> <p>The assets referred to in these procedures include:</p> <ol style="list-style-type: none"> <li>1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.</li> <li>2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.</li> <li>3. Memberships.</li> <li>4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.</li> <li>5. Right-of-use assets.</li> <li>6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</li> <li>7. Derivatives.</li> <li>8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with the law.</li> <li>9. Other major assets.</li> </ol>	<p>Article 2. <u>Applicable</u> subjects</p> <p>The assets referred to in these procedures include:</p> <ol style="list-style-type: none"> <li>1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.</li> <li>2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.</li> <li>3. Memberships.</li> <li>4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.</li> <li>5. Right-of-use assets.</li> <li>6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</li> <li>7. Derivatives.</li> <li>8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with the law.</li> <li>9. Other major assets.</li> </ol>	<p>Revised wording.</p>

Amended articles	Existing articles	Explanation
<p><u>Article 4: Limits on the acquisition of real property or marketable securities not for business use</u></p> <p>In addition to acquiring property for business use, the Company and its subsidiaries may also invest in real property and marketable securities that are not for business use, and the limits on the amount of such investments are as follows:</p> <ol style="list-style-type: none"> <li>1. The total amount of real property acquired for non-business use shall not exceed 20% of the net value on the Company's most recent financial statements; for the subsidiaries, the total amount shall not exceed 20% of the net value on the subsidiary's most recent financial statements.</li> <li>2. The total amount of marketable securities invested shall not exceed 50% of the net value on the Company's most recent financial statements; for the subsidiaries, the total amount shall not exceed 30% of the net value on the subsidiary's most recent financial statements.</li> <li>3. The total amount of each marketable security investment shall not exceed 40% of the net value on the Company's most recent financial statements; for the subsidiaries, the total amount shall not exceed 40% of the net value on the subsidiary's most recent financial statements.</li> </ol>	<p><u>Article 4: Appraisal procedures for acquisition and disposal of assets</u></p> <ol style="list-style-type: none"> <li>1. <u>The acquisition and disposal of assets shall be approved in accordance with the "Regulations Governing the Implementation of Decision-making Authority."</u></li> <li>2. <u>For the evaluation of the acquisition or disposal of assets, if the transaction is for derivative commodities and marketable securities, the unit responsible for implementation shall establish an investment evaluation team to conduct a benefit analysis and evaluate the feasibility before proceeding; if the transaction is for a merger, demerger, acquisition or transfer of shares, a CPA, attorney or securities underwriter shall be appointed to express an opinion on the reasonableness of the share exchange ratio, the acquisition price or the allotment of cash or other assets to the shareholders, and submit it to the board of directors for discussion and approval before the board of directors passes the resolution. <u>In addition to the aforementioned assets, for other assets subject to these procedures, relevant units shall prepare a capital expenditure plan in advance, conduct an evaluation, send it to the Finance Department for preparation of a capital expenditure budget, and implement and control the plan in accordance with such plan.</u></u></li> <li>3. <u>For acquiring or disposing of securities, the Company</u></li> </ol>	<ol style="list-style-type: none"> <li>1. Article number change</li> <li>2. The existing Article 8 is moved to the amended Article 4.</li> </ol>

Amended articles	Existing articles	Explanation
	<p><u>shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. In addition, if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. When it is necessary to use the report of an expert as audit evidence, the certified public accountant shall do so in accordance with Statement of Auditing Standards No. 20 promulgated by Accounting Research and Development Foundation.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</p> <p><u>4.</u> In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or</p>	

Amended articles	Existing articles	Explanation
	<p>disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1) Where due to special circumstances, it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation and render a specific opinion regarding the reason for the discrepancy and the appropriateness of</p>	

Amended articles	Existing articles	Explanation
	<p>the transaction price:</p> <ol style="list-style-type: none"> <li>1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</li> <li>2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</li> </ol> <p>(4) The date of professional appraisers' reports shall not exceed three months from the date of formation of the contract. provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>Except where a limited price, specified price, or special price is employed by the Company as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report, and the certified public accountant's opinion under subparagraph 3 of the <u>preceding paragraph</u>, shall be obtained within 2 weeks counting inclusively from the date of occurrence.</p> <ol style="list-style-type: none"> <li>5. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof <u>or membership</u> and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public</li> </ol>	

Amended articles	Existing articles	Explanation
	<p>accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the <u>CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p> <p>6. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>7. <u>For the means of price determination and supporting reference materials for acquisition or disposal of assets, in addition to the opinions of professional appraisers, CPAs, and other relevant experts pursuant to the foregoing provisions, the following circumstances shall also apply.</u></p> <p>(1) <u>If the acquisition and disposal of marketable securities are traded on the centralized securities exchange or OTC market, the price shall be determined by the prevailing price of the shares or bonds.</u></p> <p>(2) <u>If the acquisition and disposal of marketable securities is not traded on the centralized securities exchange or OTC market, the price shall be discussed and determined based on the consideration of the net value per share, technology and profitability, the future development potential, market interest rates, the coupon rates of bonds, the debtors' creditworthiness, and the most recent transaction price at the time.</u></p>	

Amended articles	Existing articles	Explanation
	<p>(3) <u>The acquisition or disposal of real property and other fixed assets shall be determined in accordance with the "Regulations Governing the Implementation of Decision-making Authority" with consideration of the publicly announced current value, assessed value, and actual transaction price of adjacent real property. If a public announcement is applicable in accordance with the provisions of these procedures, a professional appraisal firm shall be engaged for appraisal. If real property is purchased from a related party, the transaction price shall first be evaluated in accordance with these Procedures to determine whether the transaction price is reasonable.</u></p> <p>(4) <u>When acquiring or disposing of membership, the benefits that can be generated shall be taken into consideration, and the most recent transaction price at the time shall be taken as a reference for determination; when acquiring or disposing of intangible assets such as patents, copyrights, trademarks, and licenses, the international or market practice, the service life, and the impact on the company's technology and business shall be taken as references for determination.</u></p> <p>(5) <u>When engaging in derivative transactions, the Company shall take into account the trading conditions of the futures market, exchange rate and interest rate trends, etc.</u></p>	

Amended articles	Existing articles	Explanation
	(6) <u>When handling mergers, demergers, acquisitions or share transfers, the business nature, the net value per share, the asset value, the technology and profitability, the production capacity and the future growth potential shall be taken into consideration.</u>	
<p><u>Article 5: Appraisal report or opinion</u></p> <p>1. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>(1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>(2) May not be a related party or de facto related party of any party to the transaction.</p>	<p><u>Article 5: Operational procedures for acquisition and disposal of assets</u></p> <p>1. <u>When the Company acquires or disposes of the assets listed in Article 2 of these Procedures, it shall follow the following regulations</u></p> <p>(1) <u>Marketable securities:</u></p> <p>1. When the marketable securities are <u>traded on the centralized securities exchange or OTC market</u>: If the transaction amount is less than NT\$100 million, the transaction shall be approved by the board chairman and submitted to the board of directors for ratification afterwards; however, if the amount is more than NT\$100 million the approval shall be given by the board of directors before implementation.</p> <p>2. <u>When the marketable securities are not traded on the centralized securities exchange or OTC market</u>: If the transaction amount is less than NT\$50 million, the transaction shall be approved by the board chairman and submitted to the board of directors for ratification afterwards; however, if the amount is</p>	<p>1. Article number change</p> <p>2. The existing subparagraphs 1 and 2 of Article 13 are moved to the amended Article 5, and the wording is revised accordingly.</p>

Amended articles	Existing articles	Explanation
<p>(3) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties to each other.</p> <p>2. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of the industry associations to which they belong</u> and with the following provisions:</p> <p>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(2) When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(3) They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have</p>	<p>more than NT\$50 million, the approval shall be given by the board of directors before implementation.</p> <p>(2) <u>Real estate property and other Fixed assets</u></p> <p>1. When acquiring or disposing of real property: If the amount is less than NT\$500 million, the transaction shall be submitted to the board chairman for approval; If the amount exceeds NT\$500 million but is less than NT\$1 billion, the transaction shall be approved by the board chairman and shall be reported to the board of directors at the most recent meeting afterwards; If the amount is NT\$100 million or more, the transaction shall be approved by the board of directors prior to implementation.</p> <p>2. The acquisition or disposal of <u>other fixed assets</u> shall be proceeded by one of the methods of price inquiry, price comparison or bid invitation; for the acquisition or disposal of which the amount is less than NT\$10 million, it shall be approved by the applicable levels in accordance with the Regulations Governing the Implementation of Decision-making Authority; for the amount exceeding NT\$10 million, the transaction shall be executed only after it is approved by the board of directors.</p> <p>(3) <u>acquisition and disposal of membership or intangible assets.</u></p> <p>1. When acquiring or disposing of membership: If the</p>	

Amended articles	Existing articles	Explanation
<p>evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.</p>	<p>amount is less than <u>1% of the paid-in capital</u> or NT\$3 million, the transaction shall be submitted to the <u>president</u> for approval and shall be reported to the board of directors at the most recent meeting afterwards; if the amount exceeds NT\$3 million, the transaction shall be executed only after it is approved by the board of directors</p> <p>2. When acquiring or disposing of intangible assets: If the amount is less than <u>10% of the paid-in capital</u> or NT\$20 million, the transaction shall be submitted to the board chairman for approval and shall be reported to the board of directors at the most recent meeting afterwards; if the amount exceeds NT\$20 million, the transaction shall be executed only after it is approved by the board of directors</p> <p>(4) <u>Acquisition or disposal of claims of financial institutions</u>  <u>In principle, the Company shall not engage in the acquisition or disposal of claims of financial institutions. However, if the Company intends to engage in the acquisition or disposal of claims of financial institutions in the future, a proposal shall be submitted to the board of directors for approval, and its evaluation and operating procedures shall be established thereafter.</u></p>	

Amended articles	Existing articles	Explanation
<p><u>Article 6: Procedures for acquiring or disposing of real property, equipment or right-of-use assets</u></p> <p>1. <u>Appraisal and Operating procedures</u> Where the Company acquires or disposes of real property, equipment or right-of-use assets, the Company shall follow the cycle of construction and repair works and the cycle of property, plant and equipment under the Company's internal control system.</p> <p>2. <u>Procedures for determining transaction terms and authorization limits</u></p> <p>(1) When acquiring or disposing of real property, right-of-use asset: If the amount is less than NT\$500 million, the transaction shall be submitted to the board chairman for approval; If the amount exceeds NT\$500 million but is less than NT\$1 billion, the transaction shall be approved by the board chairman and shall be reported to the board of directors at the most recent meeting afterwards; If the amount is NT\$100 million or more, the transaction shall be approved by the board of directors prior to implementation.</p> <p>(2) The acquisition or disposal of <u>equipment or right-of-use assets</u> shall be proceeded by one of the methods of price inquiry, price comparison or bid invitation; for the acquisition or disposal of which the amount is less than NT\$10 million, it shall be approved by the applicable levels in accordance with the Regulations Governing</p>	<p><u>Article 6: Unit responsible for implementation</u> <u>For acquisitions and disposals of assets of the Company, the units responsible for implementation are as follows</u></p> <p>1. <u>Long-term and short-term investments in securities and derivative transactions: finance department and personnel designated by the Chairman.</u></p> <p>2. <u>Real property and other assets: Departments that use such asset and the related units with authority and responsibility.</u></p> <p>3. <u>Mergers, demergers, acquisitions or share transfers: The unit responsible for implementation is designated by the chairman of the board of directors.</u></p>	<p>1. Article number change</p> <p>2. The existing subparagraph 2, paragraph 1 of Article 5 is moved to the amended Article 6, and the procedures are redefined according to the type of assets.</p>

Amended articles	Existing articles	Explanation
<p>the Implementation of Decision-making Authority; for the amount exceeding NT\$10 million, the transaction shall be executed only after it is approved by the board of directors.</p> <p>3. <u>Unit responsible for implementation</u>  <u>When the Company acquires or disposes of real property, equipment or right-of-use assets, the transaction shall be submitted for approval according to the authority levels as described in the preceding paragraph, and the department that uses the assets and the department with related authority and responsibility shall be responsible for the execution of the transaction afterwards.</u></p> <p>4. <u>Appraisal report of real property, equipment or right-of-use assets</u>  In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p>		

Amended articles	Existing articles	Explanation
<p>(1) Where due to special circumstances, it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> <li>1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</li> <li>2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</li> </ol> <p>(4) The date of professional appraisers' reports shall not</p>		

Amended articles	Existing articles	Explanation
<p>exceed three months from the date of formation of the contract. provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>(5) Except where a limited price, specified price, or special price is employed by the Company as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report shall be obtained within 2 weeks counting inclusively from the date of occurrence, and the certified public accountant's opinion in the subparagraph 3 <u>shall be obtained within 2 weeks counting inclusively from the date of obtaining the appraisal report.</u></p> <p>(6) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>		
<p><u>Article 7: Procedures for the acquisition or disposal of marketable securities investments</u></p> <p>1. <u>Appraisal and Operating procedures</u>  <u>The purchase and sale of the Company's long-term and short-term securities are conducted in accordance with the investment cycle of the Company's internal control system.</u></p>	<p><u>Article 7: Announcement and reporting procedures</u></p> <p>1. Under any of the <u>following circumstances</u>, when acquiring or disposing of assets, the Company shall publicly announce and report the <u>relevant information on the FSC's designated website in the appropriate format as prescribed by regulations</u> within 2 days counting inclusively from the date of occurrence of the event:</p>	<p>1. Article number change  2. The existing subparagraph 1, paragraph 1 of Article 5 is moved to the amended Article 7, and the procedures are</p>

Amended articles	Existing articles	Explanation
<p><u>2. Procedures for determining transaction terms and authorization limits</u></p> <p>(1) When the marketable securities are <u>traded on the centralized securities exchange or OTC market, the department responsible shall make a decision based on the market price and submit an analysis report on the marketable securities.</u> If the transaction amount is less than NT\$100 million, the transaction shall be approved by the board chairman and submitted to the board of directors for ratification afterwards; however, if the amount is more than NT\$100 million, the approval shall be given by the board of directors before implementation.</p> <p>(2) When the marketable securities are not <u>traded on the centralized securities exchange or OTC market, the price shall be discussed and determined based on the consideration of the net value per share, the technology and profitability, the future development potential, market interest rates, the coupon rates of bonds, the debtors' creditworthiness, and the most recent transaction price at the time.</u> If the transaction amount is less than NT\$50 million, the transaction shall be approved by the board chairman and submitted to the board of directors for ratification afterwards; however, if the amount is more than NT\$50million, the approval shall be given by the board of directors before implementation.</p>	<p>(1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>2. Where an asset transaction other than any of those referred to in the preceding <u>3</u> subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. Provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds.</p> <p>(2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general</p>	<p>redefined according to the type of assets.</p>

Amended articles	Existing articles	Explanation
<p>3. <u>Unit responsible for implementation</u>  <u>The Finance Department and the personnel designated by the chairman of the board of directors are responsible for the implementation.</u></p> <p>4. <u>Obtaining expert opinions</u></p> <p>(1) Where <u>the Company</u> acquires or disposes of marketable securities and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</p> <p>(2) <u>Where</u> the Company acquires or disposes of <u>marketable securities</u> through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	<p>bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount is Less than NT\$500 million.</p> <p>(5) Where equipment or right-of-use assets thereof for business use are acquired or disposed of by a public company in the construction business, and furthermore the transaction counterparty is not a related party, and the transaction amount is Less than NT\$500 million.</p> <p>(6) Where land is acquired under an arrangement of engaging others to build on the company's own land, engaging others to build on rented land, joint</p>	

Amended articles	Existing articles	Explanation
	<p>construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction <u>is less than</u> NT\$500 million.</p> <p><u>3. The amount of transactions in paragraph 1 and paragraph 2 shall be calculated as follows:</u></p> <ol style="list-style-type: none"> <li>(1) The amount of any individual transaction.</li> <li>(2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</li> <li>(3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</li> <li>(4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</li> <li>(5) "Within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these regulations need not be counted toward the transaction amount.</li> </ol>	

Amended articles	Existing articles	Explanation
	<p>4. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic <u>public</u> companies of the Company and enter the information in the format prescribed in the <u>attachment</u> into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>5. At the time of public announcement, if the Company makes an error or omission in an item required to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowledge of such error or omission.</p> <p>6. For transactions that have already been publicly announced and reported in accordance with the <u>paragraph1 and paragraph2, where</u> any of the following circumstances occurs, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> <li>1. Change, termination, or rescission of a contract signed in regard to the original transaction.</li> <li>2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the</li> </ol>	

Amended articles	Existing articles	Explanation
	<p>contract.</p> <p>3. Change to the originally publicly announced and reported information.</p> <p><u>7. Public announcement of subsidiaries</u></p> <p>(1) <u>The Company's subsidiaries shall also establish their "Regulations Governing the Acquisition and Disposal of Assets" pursuant to the relevant provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies. "</u></p> <p>(2) <u>If a subsidiary of the Company is not a public company and has acquired or disposed of assets that reach the standard for public announcement as stipulated in Article 7, the parent company shall make the public announcement.</u></p> <p>(3) <u>The criterion of "exceeding 20% of the company's paid-in capital or 10% of the total assets" stipulating the Company's subsidiary for public announcement is based on the amount of paid-in capital or total assets of the parent company.</u></p>	
<p><u>Article 8: Procedures for acquiring or disposing of membership, intangible assets, or right-of-use assets</u></p> <p><u>1. Appraisal and Operating procedures</u></p> <p><u>Where the Company acquires or disposes of memberships, intangible assets or right-of-use assets, the Company shall follow the cycle of property, plant</u></p>	<p><u>Article 8: Investment Scope and Limits</u></p> <p>In addition to acquiring property for business use, the Company and its subsidiaries may also invest in real property and marketable securities that are not for business use, and the limits on the amount of such investments are as follows:</p> <p>1. The total amount of real property acquired for</p>	<p>1. Article number change</p> <p>2. The existing subparagraph 3, paragraph 1 of Article 5 is moved to the amended Article 8, and the procedures are</p>

Amended articles	Existing articles	Explanation
<p><u>and equipment under the Company's internal control system.</u></p> <p><u>2. Procedures for determining transaction terms and authorization limits</u></p> <p>(1) When acquiring or disposing of membership, <u>the benefits to be generated shall be considered, and the most recent transaction price at the time shall be taken into account for determination.</u> If the amount is less than NT\$3 million, the transaction shall be submitted to the <u>board chairman</u> for approval and shall be reported to the board of directors at the most recent meeting afterwards; if the amount exceeds NT\$3 million, the transaction shall be executed only after it is approved by the board of directors</p> <p>(2) When acquiring or disposing of intangible assets or right-of-use asset, expert evaluation reports or fair market price shall be taken into account to determine the transaction terms and price, and an analysis report shall be prepared and submitted to the board chairman. If the amount is less than NT\$20 million, the transaction shall be submitted to the board chairman for approval and shall be reported to the board of directors at the most recent meeting afterwards; if the amount exceeds NT\$20 million, the transaction shall be executed only after it is approved by the board of directors</p> <p><u>3. Unit responsible for implementation</u></p>	<p>non-business use shall not exceed 20% of the net value on the Company's most recent financial statements; for the subsidiaries, the total amount shall not exceed 20% of the net value on the subsidiary's most recent financial statements.</p> <p>2. The total amount of marketable securities invested shall not exceed 50% of the net value on the Company's most recent financial statements; for the subsidiaries, the total amount shall not exceed 30% of the net value on the subsidiary's most recent financial statements.</p> <p>3. The total amount of each marketable security investment shall not exceed 40% of the net value on the Company's most recent financial statements; for the subsidiaries, the total amount shall not exceed 40% of the net value on the subsidiary's most recent financial statements.</p>	<p>redefined according to the type of assets.</p>

Amended articles	Existing articles	Explanation
<p><u>When the Company acquires or disposes of membership, intangible assets or right-of-use assets, the transaction shall be submitted for approval according to the authority levels as described in the preceding paragraph, and the department that uses the assets and the finance department or management department shall be responsible for the execution of the transaction afterwards.</u></p> <p><u>4. Obtaining expert opinions</u></p> <p>Where <u>the Company</u> acquires or disposes of <u>membership, intangible assets or right-of-use assets</u> thereof and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>		
<p><u>Article 9: Calculation of transaction amounts</u></p> <p><u>The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 13 in these procedures, and "within the preceding year" as used in these procedures refers to the year preceding the date of occurrence of the current transaction. Items for which <u>an appraisal report from a professional appraiser or a CPA's opinion has been obtained</u></u></p>	<p><u>Article 9: Related party transaction</u></p> <p>1. When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a</p>	<p>1. Article number change 2. In line with the amendments of Articles 6, 7 and 8, the provisions for the calculation of transaction amounts are formulated.</p>

Amended articles	Existing articles	Explanation
<p>need not be counted toward the transaction amount.</p>	<p>professional appraiser or a CPA's opinion. <u>Related parties shall be judged pursuant to Regulations Governing the Preparation of Financial Reports by Securities Issuer</u>; in addition to legal formalities, the substance of the relationship shall also be considered during the judgement.</p> <p>2. For the acquisition and disposal of property or use-of-right assets with the related party, or the acquisition and disposal of assets other than the property or right-of-right assets for an amount exceeding 20% of the company's paid-in capital, 10% of the total assets, or NT\$300 million, except for the trade of domestic bonds, R/P and R/S bonds, subscription, or R/P of monetary fund issued by domestic securities investment trusts industry, the unit responsible for implementation shall submit the following information to the audit committee and the board of directors for approval before having the trade contract signed and payment made.</p> <p>(1) The purpose, necessity, and expected benefits for the acquisition and disposal of real property</p> <p>(2) The reason for having the related party selected as the counterparty</p> <p>(3) The relevant information used to assess the reasonableness of the trade conditions related to the acquisition and disposal of property and use-of-right assets with the related party according to the</p>	<p>3. The existing Article 9 is moved to the amended Article 10.</p>

Amended articles	Existing articles	Explanation
	<p>provisions of paragraph 3 and paragraph 4 of this Article</p> <p>(4) The original acquisition date and price of the related party, the counterparty, and its relationship with the company and the related party;</p> <p>(5) The monthly cash receipts and payments forecast in the coming year starting from the contracting month, and assessing the necessity of the transaction and the rationality of the use of funds;</p> <p>(6) The appraisal report issued by the professional appraiser or accountant’s opinion is obtained in accordance with the provisions;</p> <p>(7) The restrictions and other important agreed matters of this transaction;</p> <p><u>3.</u> The calculation of the transaction amount stated in the preceding paragraph shall be handled in accordance with Article 7 of these procedures, and the so-called “within one year” shall be retroactively calculated for one year based on the date of occurrence. The transactions that are submitted to the audit committee and approved by the board of directors according to the provision of the regulations are exempted from being incorporated into the retroactive calculation.</p> <p><u>4. Except for</u> the four circumstances such as that the related party acquired the real property or right-of-use assets thereof through inheritance or as a gift; <u>or</u> that more than 5 years will have elapsed from the time the</p>	

Amended articles	Existing articles	Explanation
	<p>related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction; <u>or</u> that the real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land; <u>or</u> that the real property right-of-use assets for business use are acquired by the Company <u>with its parent company</u> or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital; when the Company acquires real property or right-of-use assets thereof from a related party, <u>it shall evaluate the reasonableness of the transaction costs by the following means and engage a CPA to check the appraisal and render a specific opinion.</u></p> <p>(1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>(2) Total loan value appraisal from a financial institution where the related party has previously created a</p>	

Amended articles	Existing articles	Explanation
	<p>mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.</p> <p><u>(3)</u> Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the <u>Subparagraph (1) and Subparagraph (2)</u>.</p> <p>5. When the appraisal results as specified in the preceding paragraph are lower than the transaction price; and where the following circumstances exist, objective evidence is able to be submitted, and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, this restriction shall not apply:</p> <p>(1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus</p>	

Amended articles	Existing articles	Explanation
	<p>reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>(2) Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>(3) Completed transactions involving neighboring or closely valued parcels of land in the <u>paragraph 1 and 2</u> in principle refers to parcels on the same or an adjacent block and within a distance of no more than</p>	

Amended articles	Existing articles	Explanation
	<p>500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.</p> <p><u>(4)</u> Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the regulations are uniformly lower than the transaction price, the following steps shall be taken:</p> <p><u>1.</u> For the difference between the transaction price and assessed cost of the property and its use-of-right assets, a special reserve shall be appropriated in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act, and it shall not be distributed or capitalized with stock shares distributed. Where a public company uses the equity method to account for its investment in another company, then the special reserve <u>called for under</u> paragraph 1 of Article 41 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company; the company may not utilize the special</p>	

Amended articles	Existing articles	Explanation
	<p>reserve until it has recognized a loss on a decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p><u>2.</u> The <u>audit committee</u> shall handle the matters in accordance with Article 218 of the Company Act.</p> <p><u>3.</u> The processes shall be reported in the shareholders' meeting and the details of the transaction shall be disclosed in the annual report and the prospectus.</p>	
<p><u>Article 10: Procedures for acquisition or disposal of assets from related parties</u></p> <p>1. When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion. <u>When judging whether a transaction counterparty is a related party</u>, in addition to legal formalities, the substance of the relationship shall also be considered.</p>	<p><u>Article 10: Control Over Derivative Transactions</u></p> <p><u>1. Transaction Principles and Policies</u></p> <p><u>(1) Transaction Types</u>  <u>The Company engages in derivative transactions for hedging purposes. If there is a requirement to engage in transactions for other products, such transactions shall be approved by the Board of Directors prior to implementation.</u></p> <p><u>(2) Operating and hedging strategies</u>  <u>The Company engages in derivative transactions for the purpose of hedging risks, and the instruments traded are selected primarily for hedging risks that incurred in the Company's business operations. To avoid credit</u></p>	<p>1. Article number change</p> <p>2. The existing Article 9 is moved to the amended Article 10, and the wording is revised accordingly.</p>

Amended articles	Existing articles	Explanation
<p><u>2. Appraisal and Operating procedures</u>  For the acquisition and disposal of property or use-of-right assets with the related party , or the acquisition and disposal of assets other than the property or right-of-right assets for an amount exceeding 20% of the company’s paid-in capital, 10% of the total assets, or NT\$300 million, except for the trade of domestic bonds, R/P and R/S bonds, subscription, or R/P of monetary fund issued by domestic securities investment trusts industry, the unit responsible for implementation shall submit the following information to the audit committee and the board of directors for approval before having the trade contract signed and payment made.</p> <p>(1) The purpose, necessity, and expected benefits for the acquisition and disposal of real property</p> <p>(2) The reason for having the related party selected as the counterparty</p> <p>(3) The relevant information used to assess the reasonableness of the trade conditions related to the acquisition and disposal of property and use-of-right assets with the related party according to the provisions of paragraph 3 and paragraph 4 of this Article</p> <p>(4) The original acquisition date and price of the related party, the counterparty, and its relationship with the company and the related party;</p>	<p><u>risk, the Company shall try as much as possible to select the bank with which the Company normally does business as counter-parties of the transactions.</u></p> <p><u>(3) Division of authority and responsibility</u></p> <p><u>1. The board of directors and the chairman of the board: They are the supreme management for the Company's derivative transactions.</u></p> <p><u>2. Financial department: It is responsible for obtaining information on derivative transactions, executing and closing transactions.</u></p> <p><u>3. Accounting department: It is responsible for the accounting of transactions and the enforcement of related laws and regulations.</u></p> <p><u>4. Auditing department: It is responsible for overseeing the transaction process, transaction record auditing and risk tracking assessment.</u></p> <p><u>(4) Transaction amount:</u></p> <p><u>1. Hedging limit: Based on the position of foreign exchange risk, the amount of hedging transactions shall not exceed two-thirds of the total net position of the Company.</u></p> <p><u>2. Specific purpose transaction limit: The amount shall not exceed US\$3 million. Prior to execution, the trading personnel shall submit a foreign exchange trend analysis report, the contents of which shall include an analysis of the foreign exchange market trend and the suggested method for operation; the</u></p>	

Amended articles	Existing articles	Explanation
<p>(5) The monthly cash receipts and payments forecast in the coming year starting from the contracting month, and assessing the necessity of the transaction and the rationality of the use of funds;</p> <p>(6) The appraisal report issued by the professional appraiser or accountant’s opinion is obtained in accordance with the provisions;</p> <p>(7) <u>The restrictions and other important agreed matters of this transaction;</u>  <u>For the following transactions conducted between the company and the subsidiaries or between subsidiaries that are with 100% shareholding or total capital stock held directly or indirectly by the company, the board of directors may authorize the chairman to make a discretionary decision for a certain amount in accordance with Paragraph 2 of Article 6, and then report it in the most recent board meeting afterward for approval:</u></p> <ol style="list-style-type: none"> <li>1. <u>Acquisition of disposal of the equipment or its use-of-right assets for business use;</u></li> <li>2. <u>Acquisition of disposal of the property or its use-of-right assets for business use;</u></li> <li>3. <u>Reasonableness of transaction costs</u></li> </ol> <p>(1) <u>When the Company acquires real property or right-of-use assets thereof from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means:</u></p>	<p><u>transaction shall not be made until it is approved.</u></p> <p>(5) <u>The maximum amount of contract loss: After all trading positions of the contract are made, a stop-loss point shall be set to prevent excess loss. For the stop loss point, the maximum loss shall not exceed US\$200,000 or 10% of the contract amount; for each of the loss, the maximum loss shall not exceed US\$20,000 or 5% of the contract amount. If the amount of loss exceeds the above limit, the loss shall be immediately reported to the president and thereafter to the board of directors for deliberation on the necessary measures to be taken.</u></p> <p>(6) <u>Performance evaluation</u></p> <ol style="list-style-type: none"> <li>1. <u>Depending on the type of derivatives, the profit and loss of each position shall be evaluated based on the market prices and shall be reviewed regularly.</u></li> <li>2. <u>Before undertaking a hedge trade, the target of the trade shall be set, and the trading personnel shall use the target as the base for performance evaluation.</u></li> <li>3. <u>The Finance Department shall submit periodic evaluation reports to the President for review.</u></li> </ol> <p><u>2. Risk management measures</u>  <u>When the Company engages in derivative transactions, the scope of risk management and the risk management measures that shall be adopted are as follows.</u></p> <p>(1) <u>Credit risk: In principle, The counterparties of transactions shall be selected from financial</u></p>	

Amended articles	Existing articles	Explanation
<p><u>1</u> Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p><u>2</u> Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.</p> <p><u>(2)</u> Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the <u>preceding</u> paragraph.</p> <p><u>(3)</u> <u>When the Company acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use</u></p>	<p><u>institutions that have a good reputation on dealing with the Company and can provide professional information.</u></p> <p><u>(2) Market risk: The derivative's market price fluctuations in the future may result in uncertain losses; thus, the stop-loss point shall be strictly observed after the position is established.</u></p> <p><u>(3) Liquidity risk: In order to secure the liquidity of traded products, the trading institution must have adequate equipment, information and trading capabilities and be able to trade in any market.</u></p> <p><u>(4) Cash flow risk: In order to secure the stability of the Company's working capital, the Company's sources for derivative transactions are limited to its own capital, and the amount of its transactions are subject to the capital requirements of the cash flow forecast for the next three months.</u></p> <p><u>(5) Operational risk:</u></p> <p><u>1. The authorization limits and operational procedures shall be strictly followed in order to avoid operational risks.</u></p> <p><u>2. Personnel engaged in trading shall not serve concurrently in other operations such as confirmation and settlement.</u></p> <p><u>3. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and</u></p>	

Amended articles	Existing articles	Explanation
<p><u>assets thereof in accordance with the preceding two paragraphs, the Company shall also engage a CPA to check the appraisal and render a specific opinion.</u></p> <p>(4) Where the company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with paragraph two of this article, and the first three subparagraphs of paragraph three do not apply:</p> <ol style="list-style-type: none"> <li>1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.</li> <li>2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.</li> <li>3. The real property is acquired through the signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.</li> <li>4. The real property right-of-use assets for business use are acquired by the company <u>and its subsidiaries, or by its subsidiaries</u> in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</li> </ol> <p>4. <u>Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with</u></p>	<p><u>shall report to the board of directors or senior management with no responsibility for trading or position decision-making.</u></p> <p>4. <u>Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.</u></p> <p>(6) <u>Product risk: The in-house trader shall have complete and accurate professional knowledge of the derivatives products traded in order to avoid losses caused by misuse of the derivatives.</u></p> <p>(7) <u>Legal risk: Documents to be signed with financial institutions shall be inspected by specialized personnel of foreign exchange and law or legal counsel before being duly signed in order to avoid legal risk.</u></p> <p>3. <u>Internal audit system.</u></p> <p>(1) <u>The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the present shall be notified immediately and the audit committee shall be notified in writing.</u></p>	

Amended articles	Existing articles	Explanation
<p><u>subparagraph (1) and (2) of paragraph 3 are uniformly lower than the transaction price, it shall be handled pursuant to the provisions of paragraph 5. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</u></p> <p>(1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price</p>	<p><u>(2) Internal auditors shall report to the FSC, together with the performance of the annual audit plan of internal auditing, by the end of February of the following year, and shall report the improvement of irregularities to the FSC for verification no later than the end of May.</u></p> <p><u>4. Regular evaluation methods and abnormal situation handling:</u></p> <p><u>(1) The Derivative transactions shall be evaluated on a monthly or weekly basis. The profit and loss of the month or week and the open interest of non-hedging transactions are summarized and presented to the senior management authorized by the board of directors and the board chairman. Such summary shall be taken as a reference for management performance evaluation and risk measurement.</u></p> <p><u>(2) The board of directors of the Company shall designate senior management to pay continuous attention to monitoring and controlling derivatives trading risk. The board of directors shall also evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.</u></p> <p><u>(3) Senior management authorized by the board of directors shall manage derivatives trading in accordance with the following principles:</u></p> <p><u>1. The Company shall periodically evaluate whether the</u></p>	

Amended articles	Existing articles	Explanation
<p>discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>(2) Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the <u>preceding</u> paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.</p> <p>5. Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the regulations are uniformly lower than the transaction price, the following steps shall be taken:</p>	<p><u>risk management measures currently in use are appropriate and in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" established by the competent authorities and the relevant provisions of these Procedures.</u></p> <p><u>2. Monitoring the transactions and profit and loss conditions, if unusual circumstances are found, necessary measures shall be taken, and the board of directors shall be reported immediately.</u></p> <p><u>(4) When engaging in derivative transactions, the Company shall prepare a log book that contains details of the type and amount of derivative transactions, the date of approval by the board of directors, monthly or weekly evaluation reports, and periodic evaluations by the board of directors and senior management authorized by the board of directors.</u></p>	

Amended articles	Existing articles	Explanation
<p>(1) For the difference between the transaction price and assessed cost of the property and its use-of-right assets, a special reserve shall be appropriated in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act, and it shall not be distributed or capitalized with stock shares distributed. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Securities Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.</p> <p>(2) The audit committee shall handle the matters in accordance with Article 218 of the Company Act.</p> <p>(3) The processes shall be reported in the shareholders' meeting and the details of the transaction shall be disclosed in the annual report and the prospectus.</p> <p>6. <u>When the Company sets aside a special reserve under the preceding paragraph</u>, the Company may not utilize the special reserve until it has recognized a loss on a decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p>		

Amended articles	Existing articles	Explanation
<p><u>7. When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.</u></p> <p><u>Where the Company has a transaction referred to in the subparagraph 2 and the transaction amount reaches more than 10% of the total assets of the Company, it shall submit the materials in all the subparagraphs of paragraph 2 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p><u>9. The calculation of the transaction amount stated in paragraph 2 and the preceding paragraph shall be handled in accordance with subparagraph 7, paragraph 1, article 13 of these procedures, and the so-called “within one year” shall be retroactively calculated for one year based on the date of occurrence. The transactions that are submitted to the shareholder meeting, the audit committee and approved by the board of directors according to the provision of these procedures are exempted from being incorporated into the retroactive calculation.</u></p>		

Amended articles	Existing articles	Explanation
<p><u>Article 11: Control Over Derivative Transactions</u>  <u>The Company may not engage in derivative transactions.</u></p>	<p><u>Article 11: Merger, demerger, acquisition, or transfer of shares.</u></p> <p><u>1.</u> When the Company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.</p> <p><u>2.</u> For participating in a merger, demerger, or acquisition, the Company shall prepare a public report to shareholders detailing important contractual content and relevant matters prior to the shareholders meeting and include it along with the expert opinion when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution for some reasons, the Company shall immediately publicly explain the reason, the follow-up</p>	<p>1. Article number change</p> <p>2. The existing Article 10 is moved to the amended Article 11, and the control procedures for derivative transactions are deleted, and the wording is revised accordingly.</p>

Amended articles	Existing articles	Explanation
	<p>measures, and the preliminary date of the next shareholders meeting.</p> <p><u>3. When participating in a merger, demerger, or acquisition,</u> the Company shall convene a board of directors meeting and shareholders meeting on the same day as the other participating companies to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance and grants consent. <u>Notwithstanding,</u> when participating in a transfer of shares, the Company shall convene a board of directors meeting on the same day as the other participating companies.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:</p> <p>(1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to the disclosure of the information.</p> <p>(2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the</p>	

Amended articles	Existing articles	Explanation
	<p>hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.</p> <p>(3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.</p> <p><u>When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.</u></p> <p><u>Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of paragraphs 3 and paragraph 4.</u></p> <p><u>4. When participating in a merger, demerger, acquisition, or transfer of shares, the Company shall not arbitrarily alter the share exchange ratio or acquisition price</u></p>	

Amended articles	Existing articles	Explanation
	<p><u>unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:</u></p> <p>(1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.</p> <p>(2) An action, such as a disposal of major assets, that affects the company's financial operations.</p> <p>(3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.</p> <p>(4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.</p> <p>(5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.</p> <p>(6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.</p> <p>5. The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall <u>record the rights and obligations of the companies participating in the merger, demerger, acquisition, or</u></p>	

Amended articles	Existing articles	Explanation
	<p><u>transfer of shares, and</u> shall also record the following:</p> <p>(1) Handling of breach of contract.</p> <p>(2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.</p> <p>(3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchangeratio, and the principles for handling thereof.</p> <p>(4) The manner of handling changes in the number of participating entities or companies.</p> <p>(5) Preliminary progress schedule for plan execution, and anticipated completion date.</p> <p>(6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.</p> <p><u>6. Additional notes on the Company's engagement in mergers, demergers, acquisitions or share transfers.</u></p> <p>(1) Person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares <u>is required to</u> issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition,</p>	

Amended articles	Existing articles	Explanation
	<p>or transfer of shares.</p> <p><u>(2)</u> After public disclosure of the information on merger, demerger, acquisition, or share transfer, if the Company intends further to carry out a merger, demerger, acquisition, or share transfer with another company, the Companies shall carry out anew the procedures or legal actions that had originally been completed; except that where the number of participating companies is decreased and the shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, it may be exempted from calling another shareholders meeting to resolve on the matter anew.</p> <p><u>(3)</u> When a company participating in merger, demerger, acquisition or transfer of shares is a non-public company, the Company shall execute an agreement with this company and handle the matters in accordance with <u>paragraph 3</u> —date <u>of</u> board of directors meeting, <u>subparagraph (1)</u> —prior Confidentiality Undertaking, <u>subparagraph (2)</u>— changes in the number of companies involved in mergers, demergers, acquisitions or share transfers of <u>paragraph 6</u> in this article of these procedures.</p>	

Amended articles	Existing articles	Explanation
<p><u>Article 12: Merger, demerger, acquisition, or transfer of shares.</u></p> <p>1. <u>Appraisal and Operating procedures</u></p> <p>(1) When the Company conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve the matter, the Company shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. <u>However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.</u></p> <p>(2) When participating in a merger, demerger, or acquisition, the Company shall prepare a public report to shareholders detailing important contractual content and relevant matters prior to the shareholders meeting and include it along with the expert opinion when sending shareholders notification of the shareholders meeting for reference in deciding</p>	<p><u>Article 12: Penalties</u></p> <p>Any employee of the Company who undertakes to acquire or dispose of assets in violation of these procedures shall be penalized based on the severity of the situation in accordance with the provisions of the Company's rules on rewards and punishment of management regulations.</p>	<ol style="list-style-type: none"> <li>1. Article number change</li> <li>2. The existing Article 11 is moved to the amended Article 12.</li> </ol>

Amended articles	Existing articles	Explanation
<p>whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution for some reasons, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.</p> <p><u>2. Additional notes</u></p> <p>(1) <u>Date of the Board of Directors' Meeting: A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of <u>extraordinary circumstances</u> and grants consent.</u> A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, <u>unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</u></p> <p>(2) When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company</p>		

Amended articles	Existing articles	Explanation
<p>that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:</p> <ol style="list-style-type: none"> <li><u>1.</u> Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to the disclosure of the information.</li> <li><u>2.</u> Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.</li> <li><u>3.</u> Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.</li> </ol> <p><u>(3) Prior Confidentiality Undertaking</u></p> <p><u>Every</u> person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in</p>		

Amended articles	Existing articles	Explanation
<p>their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.</p> <p>(4) <u>Principles for establishment and alternation of share swap ratio or acquisition price:</u>  <u>In principle, the share swap ratio or acquisition price may not be changed arbitrarily, provided that the alteration conditions have been stipulated in the contract and disclosed to the public. The conditions under which the share swap ratio or acquisition price may be changed are as follows.</u></p> <ol style="list-style-type: none"> <li><u>1.</u> Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.</li> <li><u>2.</u> An action, such as a disposal of major assets, that affects the company's financial operations.</li> <li><u>3.</u> An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.</li> <li><u>4.</u> An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.</li> <li><u>5.</u> An increase or decrease in the number of entities or</li> </ol>		

Amended articles	Existing articles	Explanation
<p>companies participating in the merger, demerger, acquisition, or transfer of shares.</p> <p><u>6.</u> Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.</p> <p><u>(5)</u> <u>Contents that shall be contained in the contract</u>  When the Company engages in mergers, demergers, acquisitions or share transfers, the following shall be stipulated in the contract:</p> <ol style="list-style-type: none"> <li><u>1.</u> Handling of breach of contract.</li> <li><u>2.</u> Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.</li> <li><u>3.</u> The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.</li> <li><u>4.</u> The manner of handling changes in the number of participating entities or companies.</li> <li><u>5.</u> Preliminary progress schedule for plan execution, and anticipated completion date.</li> <li><u>6.</u> Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.</li> </ol> <p><u>(6)</u> <u>When there is a change in the number of companies participating in the merger, demerger, acquisition, or transfer of shares:</u> After public disclosure of the</p>		

Amended articles	Existing articles	Explanation
<p>information, if <u>any company</u> participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, <u>all of the participating companies</u> shall carry out anew the procedures or legal actions that had originally been completed toward <u>the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.</u></p> <p>(7) When a company participating in merger, demerger, acquisition or transfer or shares is a non-public company, the Company shall execute an agreement with this company and handle the matters in accordance with <u>Subparagraph (1) —date of board of directors meeting, subparagraph (2) —maintenance of written records, subparagraph(3)—prior confidentiality undertaking, subparagraph(6) changes in the number of companies participating in mergers, demergers, acquisitions or share transfers, paragraph 2 of this article.</u></p>		

Amended articles	Existing articles	Explanation
<p><u>Article 13: Procedures for public disclosure of information</u></p> <p><u>1. Items that shall be announced and standards of announcement and reporting</u></p> <p>(1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p><u>(3) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</u></p> <p><u>1. The Company's paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500million or more.</u></p> <p><u>2. The Company's paid-in capital has reached NT\$10 billion, the transaction amount has reached NT\$100 million or more.</u></p>	<p><u>Article 13 Other matters</u></p> <p>1. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>(1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>(2) May not be a related party or de facto related party of any party to the transaction.</p> <p>(3) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>II. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall</p>	<p>The existing Article 7 is moved to the amended Article 13, and the wording is revised accordingly.</p>

Amended articles	Existing articles	Explanation
<p>(4) 5. Acquisition or disposal by <u>the</u> Company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; <u>among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</u></p> <p>(5) Where land is acquired under an arrangement of engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding <u>5</u> subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. Provided, this shall not apply to the following</p>	<p>comply with the following:</p> <p>(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(2) When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(3) They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy</u>, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p> <p><u>3.</u> When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where</p>	

Amended articles	Existing articles	Explanation
<p>circumstances:</p> <ol style="list-style-type: none"> <li><u>1.</u> Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></li> <li><u>2.</u> Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds</u> or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription and sell back of exchange traded notes,</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</li> <li><u>3.</u> Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</li> </ol> <p><u>(7)</u> The amount of transactions shall be calculated as follows:</p> <ol style="list-style-type: none"> <li><u>1.</u> The amount of any individual transaction.</li> <li><u>2.</u> The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the</li> </ol>	<p>they shall be retained for 5 years except where another act provides otherwise.</p> <ol style="list-style-type: none"> <li><u>4.</u> For the calculation of 10 percent of total assets under these procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</li> <li><u>5.</u> <u>These procedures</u> shall be approved by a majority of the Audit Committee members, resolved by the board of directors, and approved by the shareholders meeting, so are the amendments.</li> <li><u>6.</u> If the approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board of directors meeting.</li> <li><u>7.</u> <u>When the “Procedures For The Acquisition And Disposal Of Assets” is reported to the board of directors for discussion, the opinions of each independent director shall be fully considered. If the independent director has had any objection or reservation, it shall be stated in the board meeting minutes.</u></li> </ol>	

Amended articles	Existing articles	Explanation
<p>preceding year.</p> <p><u>3.</u> The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p><u>4.</u> The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p><u>(8)</u> "Within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these procedures need not be counted toward the transaction amount.</p> <p>2. Time limit for announcement and reporting For the acquisition or disposal of assets, if the Company <u>has any transaction that reaches the amount required to be announced and reported according to paragraph 1 of this Article,</u> the Company shall make an announcement and report the transaction, in the prescribed form, within two days from the date of occurrence.</p> <p>3. <u>Announcing and reporting procedures.</u></p> <p><u>(1)</u> The Company shall report the relevant information on <u>the information reporting website designated by the FSC</u></p>		

Amended articles	Existing articles	Explanation
<p>(2) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic companies of the Company and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>(3) When the Company at the time of public announcement makes an error or omission in an item <u>required by regulations</u> to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowledge of such error or omission.</p> <p>(4) When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p> <p>(5) Where any of the following circumstances occurs with respect to a transaction that <u>the Company has already publicly announced and reported in accordance with the preceding article</u>, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the</p>		

Amended articles	Existing articles	Explanation
<p>event:</p> <ol style="list-style-type: none"> <li>1. Change, termination, or rescission of a contract signed in regard to the original transaction.</li> <li>2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</li> <li>3. Change to the originally publicly announced and reported information.</li> </ol>		
<p><u>Article 14: Control and management of the subsidiary's acquisition or disposal of assets:</u></p> <ol style="list-style-type: none"> <li>1. <u>The subsidiaries shall also establish their "Regulations Governing the Acquisition and Disposal of Assets" pursuant to the relevant provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies." After such procedures have been approved by the board of directors of the subsidiaries, they shall be submitted to the shareholders' meeting for approval, and the same applies to any amendment.</u></li> <li>2. <u>When the subsidiaries acquire or dispose of assets, they shall also follow the Company's regulations.</u></li> <li>3. <u>If a subsidiary is not a public company and it has assets acquired or disposed of reaches a threshold requiring public announcement and reporting, the Company shall handle such public reporting on behalf of the subsidiary.</u></li> <li>4. <u>The paid-in capital or total assets of the Company shall be</u></li> </ol>	<p><u>Article 14: Supplementary provisions</u> If any matters are not covered by these procedures, they shall be handled in accordance with the relevant laws and regulations.</p>	<p>In accordance with the "Procedures for the Acquisition and Disposal of Assets", the additional provisions are added.</p>

Amended articles	Existing articles	Explanation
<p><u>the standard applicable to the subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and reporting.</u></p>		
<p><u>Article 15: Penalties</u> Any employee of the Company who undertakes to acquire or dispose of assets in violation of these procedures shall be penalized based on the severity of the situation in accordance with the provisions of the Company's rules on rewards and punishment of management regulations.</p>		<ol style="list-style-type: none"> <li>1. Article number change</li> <li>2. The existing Article 12 is moved to the amended Article 15.</li> </ol>
<p><u>Article 16: Implementation and Amendment</u></p> <ol style="list-style-type: none"> <li>1 <u>The Company's "Procedures For The Acquisition And Disposal Of Assets"</u> shall be approved by a majority of the Audit Committee members, <u>resolved by the board of directors, and approved by the shareholders meeting before implementation, so are the amendments. If a director expresses an objection with a record or written statement on file, the information of the director's objection shall be sent to each Audit Committee member.</u></li> <li>2 If the approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit</li> </ol>		<ol style="list-style-type: none"> <li>1. Article number change</li> <li>2. The regulations on amendment of the "Procedures for the Acquisition and Disposal of Assets in the Article 13, are moved to the amended Article 16, and the wording is revised accordingly.</li> </ol>

Amended articles	Existing articles	Explanation
<p>Committee shall be recorded in the minutes of the board of directors meeting.</p> <p>3. <u>The Audit Committee members and all members of board of directors mentioned in these procedures are counted by the actual incumbent.</u></p>		
<p><u>Article 17: Supplementary provisions</u></p> <p>1. For the calculation of 10 percent of total assets under these procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</p> <p>2. If any matters are not covered by these procedures, they shall be handled in accordance with the relevant laws and regulations.</p>		<p>1. Article number change</p> <p>2. The existing Article 14 is moved to the amended Article 17, and the wording is revised accordingly.</p>

## Articles of Incorporation of SAKURA DEVELOPMENT CO., LTD (before Amendment)

### Chapter 1.General Principles

Article 1: The Company was organized in accordance with the Company Act, and was named SAKURA DEVELOPMENT CO., LTD.

Article 2: The Company is engaged in the following businesses:

1. F111090 Wholesale of Building Materials.
2. F113010 Wholesale of Machinery.
3. H701010 Housing and Building Development and Rental.
4. H701020 Industrial Factory Development and Rental.
5. H701030 Funeral Places Lease Construction and Development.
6. H701040 Specific Area Development.
7. H701050 Investment, Development and Construction in Public Construction.
8. H701060 New County and Community Construction and Investment.
9. H701070 Process Zone Expropriation and Urban Land Readjustment Agency.
10. H701080 Urban Renewal Reconstruction.
11. H702010 Construction Manager.
12. H703090 Real Estate Commerce.
13. H703100 Real Estate Leasing.
14. I102010 Investment Consulting.
15. I503010 Landscape and Interior Designing.
16. F401010 International Trade.
17. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company's headquarters is located in Taichung City, and may set up domestic or foreign branch offices as resolved by the Board of Directors, if necessary.

Article 4: Public announcements from the Company are conducted in accordance with Article 28 of the Company Act.

Article 4-1: The Company may provide external guarantees according to its business needs in accordance with its Regulations Governing Endorsement and

Guarantee.

## Chapter 2. Shares

Article 5: The Company's total capital is set at NT\$9,000,000,000, divided into 900,000,000 shares at NT\$10 par value. The Board of Directors is authorized to issue the shares in installments.

Article 5-1: Deleted.

Article 6: The Company's shares shall be registered, affixed with the signature or seal of the director representing the Company, and legally authenticated by the bank issuing share certificates prior to issuance.

Companies that do not print share certificates in accordance with the provision in the preceding paragraph shall register the issued shares with a centralized securities depository enterprise and follow the regulations of that enterprise.

Article 7: All stock-related matters implemented by the Company's shareholders shall be governed by the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority of securities management and other relevant laws.

Article 8: Deleted.

Article 9: Title transfer of stocks may not be made within sixty days before the AGM is held, within thirty days before a shareholders' provisional meeting is held, or within five days before the base date for distribution of stock dividends and bonuses or other benefits determined by ASE.

## Chapter 3. Shareholders' Meeting

Article 10: Shareholders' meetings include ordinary meetings and extraordinary meetings. Ordinary meetings shall be convened once annually within six months after the end of each fiscal year and notified to the shareholders thirty days before taking place. Extraordinary meetings will be held according to the law whenever necessary and shall be notified to the shareholders fifteen days before taking place.

The aforementioned notification shall specify the date, venue, and reason(s) of such meeting either in written or electronic form to the shareholders, or alternatively via public announcement to shareholders holding fewer than 1,000 shares.

Unless otherwise specified by the Company Act, shareholders' meetings are

convened by the Board of Directors.

Article 11: Any shareholder, who for any reason is unable to attend shareholders' meetings, may execute a proxy printed by the Company, in which the authorized matters shall be expressly stated, to authorize a proxy to attend the meeting for him/her, in accordance with Article 177 of the Company Act. Unless otherwise specified by the Company Act, proxy attendance shall be conducted in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by the competent authority.

Article 12: Unless otherwise required by the Company Act, shareholders' meetings are convened by the Board of Directors and chaired by the Chairman. If the Chairman is on leave or unable to perform his duties, he shall designate one of the directors to act on his behalf. If no such designation is made by the Chairman, the directors shall select one person from among themselves to serve as chair. In case the or an executive director is on leave or unable to exercise his/her functional duties for any reason, a shareholder shall be designated to act on his/her behalf; and if no representative is so designated, the representative shall be elected by the shareholders from among themselves.

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

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

Article 14: Unless otherwise required by the Company Act, shareholders' resolutions shall be adopted by at least a majority of the votes of shareholders present at a shareholders' meeting who hold a majority of all issued and outstanding shares of the Company. In addition, voting rights are exercised in writing or through electronic means in accordance with relevant laws and regulations.

Article 15: Resolutions of a shareholders' meeting shall be compiled into detailed minutes, and signed or sealed by the Chairman, then disseminated to each shareholder no later than 20 days after the meeting. The meeting minutes shall be prepared and distributed in accordance with Article 183 of the Company Act.

## Chapter 4. Directors

- Article 16: The Company has five to nine directors, who shall be elected in a shareholders' meeting from a list of nominees with disposing capacity to serve a term of three years and may be eligible for re-election.
- The number of independent directors shall be no less than two and no less than one-fifth of the total number of directors. All matters regarding the eligibility for independent directors will be handled in accordance with applicable laws and regulations.
- In accordance with the Securities and Exchange Act, the Company establishes an Audit Committee, which is composed of all the independent directors. The Audit Committee's composition, functional duties, rules of procedure for meetings, and other matters to be complied with have all been established as regulated by the competent authority of the securities industry.
- A company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.
- Article 17: When the number of vacancies in the board of directors of a company equals one-third of the total number of directors, the Board of Directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fulfill the unexpired term of office of the predecessor.
- Article 18: In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.
- Article 18-1: The total registered shares of the Company held by all the directors shall be governed by the provisions prescribed by the competent authority of securities affairs.
- Article 19: The Board of Directors is constituted by directors, and the Chairman is elected from the directors by a majority of the directors at a board meeting at which over two-thirds of the directors are present. The Chairman represents the Company in its external dealings.
- Article 20: The Company's operational directions and important matters shall be determined by the Board of Directors. Except when called for the first meeting of each board of directors in accordance with Article 203 of the Company Act, board meetings shall be called by the Chairman. In case the Chairman is on leave or can not exercise his power and authority for any

cause, a delegate shall be designated to act on the Chairman's behalf in accordance with Article 208 of the Company Act.

Article 21: Unless otherwise provided for under the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. A director who appoints another director to attend a board meeting shall, in each instance, issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

Each proxy may only represent one absent director.

If a board meeting is conducted in the form of video conference, the attendance of a director by video conference will be deemed as attendance in person.

Article 21-1: The reasons for calling a board meeting shall be notified to each director and supervisor at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.

The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.

Article 22: The proceedings of a Board meeting shall be compiled into meeting minutes, which shall be signed and sealed by the Chairman and then distributed to each director no later than 20 days after the meeting. The minutes of a shareholders' meeting shall record the date and place of the meeting, the name of the Chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes, along with the attendance logs of the directors and powers of attorney of proxies, shall be kept persistently throughout the life of the Company.

Article 23: Deleted.

Article 23-1: The Board of Directors is authorized to determine the remuneration for directors based on the degree of individual directors' participation in the Company's operation and the value of the contributions each has made to the Company, with reference to the ordinary standards of industry competitors.

Article 23-2: Deleted.

## Chapter 5. Managerial Personnel and Staff

Article 24: The Company may have managerial personnel, whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

Article 25: The Company may employ consultants and important staff as resolved by the Board of Directors.

Article 26: Deleted.

## Chapter 6. Final Accounts

Article 27: In the Company's final accounts at the end of each fiscal year, the Board of Directors shall prepare the following documents and submit them to the Shareholders' Meeting for ratification. (1) a business report; (2) financial statements; and (3) proposals of earnings distribution or loss replenishment.

Article 28: If the Company has profit for the year, no less than 0.5 percent shall be allocated for employee compensation and no more than 2 percent shall be allocated for director remuneration. However, if the Company has accumulated losses, the Company shall set aside a part of the surplus profit first for making up the losses. The determination of the distribution ratios for employee compensation and director remuneration, and whether employees' compensation shall be distributed in the form of shares or cash, shall be resolved by the majority of the directors at a board meeting at which over two-thirds of the directors are present and reported to the shareholders' meeting.

Article 28-1: In the event of profit after closing of annual accounts, the Company shall, as provided by law, pay for the taxes, offset losses sustained in previous years, allocate ten percent as the legal earnings reserve, and provide or reverse special reserve based on the balance. Any residual balance is then added to undistributed earnings carried from previous years and distributed as dividends, subject to Board of Directors' proposal and resolution in a shareholders' meeting.

The Company belongs to a capital intensive industry and has major investment and financial improvement plans in the coming years, making it difficult to discern clear-cut stages of its growth. For this reason, when the Company distributes its annual earnings, it will distribute cash dividends of at least ten percent; however, if the cash dividend per share is lower than NT\$0.1, it may distribute stock dividends instead.

## Chapter 7. Appendix

Article 29: Deleted.

Article 30: The Company may invest in other businesses according to its business needs and is not subject to the forty percent restriction specified in Article 13 of the Company Act in relation to the percentage of total investment amount that can be made with a Company's paid-up capital.

Article 31: The constitutive rules and the operation rules of the Company shall be stipulated separately by the Board of Directors.

Article 32: Matters not provided herein shall be subject to the provisions of the Company Act and other applicable laws and regulations.

Article 33: These Articles of Incorporation were established on March 26, 1987.

The first amendment was made on May 8, 1990.

The second amendment was made on June 8, 1992.

The third amendment was made on January 22, 1994.

The fourth amendment was made on September 1, 1994.

The fifth amendment was made on July 29, 1995.

The sixth amendment was made on April 30, 1996.

The seventh amendment was made on April 29, 1997.

The eighth amendment was made on March 17, 1998.

The ninth amendment was made on June 22, 2000.

The tenth amendment was made on June 27, 2002.

The eleventh amendment was made on June 30, 2003.

The twelfth amendment was made on June 30, 2003.

The thirteenth amendment was made on June 16, 2004.

The fourteenth amendment was made on June 27, 2005.

The fifteenth amendment was made on June 9, 2006.

The sixteenth amendment was made on June 28, 2007.

The seventeenth amendment was made on June 22, 2010.

The eighteenth amendment was made on June 20, 2012.

The nineteenth amendment was made on June 20, 2014.

The twentieth amendment was made on June 17, 2016.

The twentieth-first amendment was made on June 16, 2017.

The twentieth-second amendment was made on June 6, 2019.

The twentieth-third amendment was made on June 10, 2020.

The twentieth-fourth amendment was made on July 13, 2021.

## SAKURA DEVELOPMENT CO., LTD

## Rules and Procedures for Shareholders' Meetings

1. The Company's shareholders' meetings shall be conducted in accordance with these Rules and Procedures, unless otherwise provided by law.
2. The Company shall provide an attendance log to record the attendance of shareholders; alternatively, attendance cards may be presented to signify their presence at the meeting.  
The number of shares represented during the meeting is calculated based on the total amount registered in the attendance log or the attendance cards collected.
3. Shareholder attendance and votes are calculated by the number of shares represented during the meeting.
4. Shareholders' meetings shall be held at the Company's location or locations that are suitable and convenient for shareholders to attend. Meetings shall begin no earlier than 9 a. m. and no later than 3 p. m.
5. Shareholders' meetings that are convened by the Board of Directors shall be chaired by the Chairman. If the Chairman is unable to perform such duties due to a leave of absence or any reason, the Chairman may appoint one of the directors to act on the Chairman's behalf. If the Chairman does not appoint a delegate, one shall be elected among the directors to act on the Chairman's behalf.  
For shareholders' meetings convened by any authorized party other than the Board of Directors, the convener will act as the chair of the meeting. If there are two or more conveners at the same time, one shall be appointed from among them to chair the meeting.
6. The company may summon its lawyers, certified public accountants, and any relevant personnel to be present at the shareholders' meeting.
7. The whole course of a shareholders' meeting shall be recorded on audio or video tape and shall be retained for at least one year.
8. The chair of the meeting shall call the meeting to order at the time scheduled for the meeting. If the number of shares represented by the shareholders present at the meeting does not accumulate to more than half of the Company's outstanding shares, the chair may postpone the time of the meeting. The postponements shall be limited to two times and the meeting shall not be postponed for longer than one hour in aggregate.  
If, after two postponements, no quorum can yet be constituted, but the shareholders present at the meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Article 174 of the Company Act.
9. If a shareholders' meeting is convened by the Board of Directors, the Board of Directors shall determine the meeting agenda. The agenda may not be changed unless resolved during the shareholders' meeting.  
The above rule also applies if the shareholders' meeting is convened by any authorized party other than the Board of Directors.  
In either of the two arrangements described above, the chair may not dismiss the meeting while an agenda item (including extempore motions) is still in progress. The shareholders may not designate any other person as chair and continue the meeting in the same or another place after the meeting ends. However, if the chair

violates the meeting policy by dismissing the meeting when it is not allowed to do so, another chair may be elected with the support of the majority of voting rights represented and continue the meeting.

10. When a shareholder present at the meeting wishes to speak, a statement slip shall be filled out with a summary of the speech shareholder's number (or the number of the attendance card) and the name of the shareholder. The sequence of speeches by shareholders shall be decided by the chair.  
A shareholder present at the meeting that merely submits a statement slip without speaking is considered not to have spoken. If the shareholder's actual comments differ from those stated on the statement slip, only the actual comments expressed shall be recorded.  
While a shareholder is speaking, other shareholders may not speak simultaneously or interfere in any way, unless agreed upon by the chair and the person speaking. Any violators shall be restrained by the chair.
11. Unless otherwise permitted by the Chairman, each shareholder shall speak no more than two times, for five minutes each, on the same agenda item.
12. If the corporate shareholder is attending as a proxy, only one representative shall be appointed to attend the meeting.  
Where a corporate shareholder has appointed two or more representatives to attend the shareholders' meeting, only one representative may speak per agenda item.
13. After the shareholder has finished speaking, the Chairman may answer the shareholder's queries personally or appoint any relevant personnel to do so.
14. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.
15. The chair will appoint a ballot scrutineer and a ballot counter; the ballot scrutineer must be a shareholder. Voting results shall be made known on-site immediately and recorded in writing.
16. While the shareholders' meeting is in session, the chair may allocate and announce the appropriate time for breaks.
17. Unless otherwise provided by the Company Act or the Company's Articles of Incorporation, a proposal shall be approved by the majority of the total voting rights represented.
18. When there is an amendment or alternative resolution to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any resolution is passed, all other proposals shall be deemed rejected, and no further voting is necessary.
19. The chair may instruct the inspectors (or security personnel) to assist in maintaining order in the meeting venue.
20. These rules shall come into force on the approval of the shareholders' meeting, as shall any amendment.

## SAKURA DEVELOPMENT CO., LTD

## Status of Holdings of Directors

Record Date: April 18, 2022

Title	Name	Registered shares as of the book closure date	
		No. of Shares	Percentage
Chairman	Ho-Yang Management Consultant Co., Ltd. Representative: Cheng-Gang Chen	123,040,627	19.08%
Directors	Ho-Yang Management Consultant Co., Ltd. Representative: Shu-Chen Shen		
Directors	Shih-Ying Chen	3,839,557	0.60%
Directors	Shu-Chen Pai	1,044,719	0.16%
Independent director	Chen-Hua Hsu	0	0%
Independent director	Kuei-Yuan Wang	0	0%
Independent director	Ming-Tsung Hung	0	0%
Total		127,924,903	

- Note: 1. The Company's total directors' shareholdings as required by law are: 20,633,387 shares; total directors' shareholdings as of April 18, 2022 were: 127,924,903 shares.
2. The Company has established an Audit Committee; therefore, there is no applicable information on the number of shares retained by supervisors.