

Stock Code: 2539

SAKURA DEVELOPMENT CO., LTD

2023 Annual Shareholders' Meeting

Meeting Handbook

Form of Shareholders' Meeting: Physical

Time: 09:30 a. m., June 13, 2023

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

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SAKURA DEVELOPMENT CO., LTD

2023 Annual Shareholders' Meeting Procedures

- I. Meeting called to order (announcing respective holding of shareholders present)
- II. Chairman's speech
- III. Reports
- IV. Ratifications
- V. Discussions
- VI. Elections
- VII. Other proposals
- VIII. Extempore motions
- IX. Meeting End

SAKURA DEVELOPMENT CO., LTD

2023 Annual Shareholders' Meeting Agenda

Time: 09:30 a. m. (Tuesday), June 13, 2023

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

~~10~~ Meeting called to order

~~10~~ Chairman's speech

~~10~~ Reports

*3+2022 Business Report.

*4+2022 Audit Committee's Audit Report.

*5+2022 distribution of remuneration to employees and directors.

*6+Report on the revision of the "Measures of the Board of Directors' Meetings" of the Company.

"TV.Ratifications

*****~~3~~+2022 Business report and financial statements.

*4+2022 earnings distribution proposal.

V. Discussions

*3+Amendment to the Operational Procedures for Loaning of Company Funds

(2)"Rules and Procedures for Shareholders' Meetings" revision proposal.

(3)Issuance of new shares through capitalization of the 2022 earnings.

VI. Elections: comprehensive re-election of directors.

VII.Other proposals: lifting the competition prohibition on newly-appointed directors.

VIII.Extempore motions.

IX. Meeting adjourned

Reports

I. 2022 Business Report.

Explanation: The 2022 Business Report has been presented in Attachment I on page 8 of this handbook.

II. 2022 Audit Committee's Audit Report.

Explanation: The Audit Committees' Report has been presented in Attachment II on page 9 of this handbook.

III. 2022 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 2022, the Company's allocated employee remuneration was about 0.52%, with an amount of NT\$ 10,056,870 and the director remuneration was about 0.94%, with an amount of NT\$ 18,311,007. The employee remuneration was paid in cash.

IV. Report on the revision of the "Measures of the Board of Directors' Meetings" of the Company.

Explanation: Please refer to Attachment V on page 20 of this handbook for a comparison table of the revised articles of the "Measures of the Board of Directors' Meetings".

Ratifications:

Item 1: (Proposed by the Board of Directors)

Proposal: The 2022 Business Report and financial statements are hereby submitted for approval.

Explanation: 1. The Board of Directors has prepared and forwarded the Company's 2022 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 2022 Business Report has been presented in Attachment I on page 8 of this handbook.

3. Please refer to Attachment III on pages 11 to 18 of this handbook for the Auditor's Report and financial statements.

Resolution:

Item 2: (Proposed by the Board of Directors)

Proposal: The 2022 Earnings Distribution Proposal is hereby submitted. Please approve.

Explanation: 1. The Company's 2022 after-tax net profit amounted to NT\$ 1,505,410,076. After allocating legal reserve pursuant to the laws, the remainder plus opening undistributed earnings became the distributable earnings, which was NT\$ 1,470,668,343. The shareholders' dividends to be distributed was NT\$ 1,324,145,947 (Stock dividend per share was NT\$ 1.6; cash dividend per share was NT\$ 0.2); the closing undistributed earnings after distribution was NT\$ 146,522,396.

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 2022 Earnings Distribution Statement has been presented in Attachment IV on page 19 of this handbook.

Resolution:

Discussions:

Item 1: (Proposed by the Board of Directors)

Proposal: Amendment to the Operational Procedures for Loaning of Company Funds. Please proceed to discuss.

Explanation: For the comparison table of the procedures for the Operational Procedures for Loaning of Company Funds, please refer to page 24 of this handbook.
Attachment VI

Resolution:

Item 2: (Proposed by the Board of Directors)

Amendments to the Rules of Procedure for Shareholders' Meetings are hereby submitted for discussion.

Explanation: For the comparison table of the revised Rules of Procedure for Shareholders Meetings, see Attachment VII on page 34 of this handbook.

Resolution:

Item 3: (Proposed by the Board of Directors)

Proposal: Please discuss the issuance of new shares through capitalization of the 2022 earnings.

Explanation: 1. In order to enrich the working capital, the Company plans to allocate shareholders' dividends of NT\$ 1,177,018,620 from the distributable surplus in 2022, and issue new shares of NT\$ 10 per share for capital increase of 117,701,862 shares.

2. The share dividends are distributed according to the ratio of each shareholder's holding on the record dates at 160 shares from the earning 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:

Elections:

Proposal: comprehensive re-election of directors. (Proposed by the Board of Directors)

- Explanation: 1. The term of office of the directors of the Company will expire on June 9, 2023, and they will be fully re-elected at this ordinary shareholders' meeting.
2. There are 7 directors (including 3 independent directors) elected this time. The new directors take office from the date of re-election, with a term of office of three years from June 13, 2023 to June 12, 2026.
3. The Company's director election adopts the candidate nomination system. The shareholders shall select the directors and independent director candidates from the list of directors and independent director candidates. Their education, experience and other relevant information are detailed in the following table.

Information on Candidates for the Director of SAKURA DEVELOPMENT CO., LTD

Category of candidate	Name of candidate	Education	Experience	Current employment	Number of shares held Unit: Shares
Directors	Ho-Yang Management Consultant Co., Ltd. Representative: Chen Cheng-Kang	Degree in business administration, Shih Hsin College	Chairman of SAKURA DEVELOPMENT CO., LTD Assistant of the Review Department of Taiwan Cooperative Bank Co., Ltd.	Chairman of SAKURA DEVELOPMENT CO., LTD	140,159,703
Directors	Ho-Yang Management Consultant Co., Ltd. Representative: Chiang Yao-chun	Dept. of Civil Engineering, China College of Business and Industry	Manager of the Construction Department of SAKURA DEVELOPMENT CO., LTD	Manager of the Management Department of SAKURA DEVELOPMENT CO., LTD	140,159,703
Directors	Chen Shin-Ying	Chung Hua University Department of Civil Engineering	General Manager of SAKURA DEVELOPMENT CO., LTD	General Manager of SAKURA DEVELOPMENT CO., LTD	4,373,768
Directors	Pai Shu-Chen	Tamkang University Department of Accounting	Director of SAKURA DEVELOPMENT CO., LTD Director of Chia-Mao Construction Co., Ltd. Director of Pao-Hsin Construction Co., Ltd.	Executive Director of Ho-Yang Management Consultant Co., Ltd.	1,190,074
Independent director	Hsu Chen-Hua	Tamkang University Department of Accounting	Remuneration Committee of SAKURA DEVELOPMENT CO., LTD	Xie-You Construction Co., Ltd. Vice General Manager of Administrative Services Division	0
Independent director	Wang Kuei-Yuan	Ph.D., Business Administration National Taiwan University of Science and Technology	Consultant, Medical Research Department, Affiliated Hospital of China Medical University Professional Academic Consultant for Market Capitalization valuation Research of International Enterprises in China and Europe	Full-time Associate Professor, Department of Finance, School of Management, Asia University	0
Independent director	Hung Ming-Tsung	National Taiwan University Dept. of Law	Attorney Prosecutor of the Prosecutor's Office of Taoyuan District Court	Director of PRO-HAWK CORPORATION	0

Voting Results:

Other proposals:

Proposal: The lifting the competition prohibition on newly-appointed directors is hereby proposed for discussion. (Proposed by the Board of Directors)

Explanation: 1. According to Article 209 of the Company Act, directors who act for themselves or others within the company's business scope shall explain the important content of their actions to and obtain permission from the shareholders meeting.

2. Without affecting the normal business of the Company and the interests of the Company, it is proposed to request the ordinary meeting of shareholders to agree to lift the restriction on the competition of the newly elected directors.

3. The following table shows the items for lifting the competition prohibition of directors.

Title	Name	Company name and position concurrently held
Directors	Pai Shu-Chen	Director of Chia-Mao Construction Co., Ltd.
		Director of Pao-Hsin Construction Co., Ltd.
		Representative of Legal Person Director of Pao-Ching Energy Co., Ltd.
		Chairman of Pao-Shou Energy Co., Ltd.
		Chairman of Pao-Shun Energy Co., Ltd.

Resolution:

Extempore Motions

Meeting Ends

SAKURA DEVELOPMENT CO., LTD

2022 Business Report

(I) Implementation of the annual business plan:

The Company's net operating income in 2022 amounted to NT\$6,263,951 thousand, an increase of NT\$1,989,636 thousand from that of NT\$4,274,315 thousand in 2021. The net profit after tax for 2022 was NT\$1,505,410 thousand, an increase of NT\$ 751,417 thousand from NT\$ 753,993 thousand in 2021. The whole business result is better than that of 2021.

(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 2022.

(III) Financial status and profitability

1. Financial status

Unit: NT\$1,000

Item	2022	2021	YOY growth rate
Operating revenue	6,263,951	4,274,315	46.55%
Operating costs	3,997,951	2,915,205	37.14%
Gross operating profit	2,266,000	1,359,110	66.73%
Operating expenses	339,085	374,591	-9.48%
Operating income	1,926,915	984,519	95.72%
Net income	1,505,410	753,993	99.66%

2. Profitability

Item	2022	2021
ROA (%)	7.18	3.87
ROE (%)	16.32	9.28
Pre-tax profit to paid-in capital ratio (%)	26.03	14.93
Profit ratio (%)	24.03	17.64
EPS (NT\$)	2.05	1.04

(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.
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 continued to strengthen construction quality management, effectively controlled the project progress and cost control, and ensured the construction safety of the construction site.
4. Customer Service: We uphold the concept of sustainable management, listen to customers' voices and fulfill customer service.

Chairman: Chen Cheng-Kang

President: Chen Shin-Ying

Accounting Supervisor: Shen Shu-Chen

SAKURA DEVELOPMENT CO., LTD

Audit Committee's Audit Report

The Company's individual financial statements, business report, and earnings distribution proposal for the year 2022 have been approved by the Audit Committee and passed by the Board of Directors. In particular, the Company's individual financial statements in 2022 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 2022 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 92.40% 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 2022 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

2023 Annual Shareholders' Meeting of Sakura Development Co., Ltd

SAKURA DEVELOPMENT CO., LTD

Audit Committee convener: Wang Kuei-Yuan

March 10, 2023

Independent Auditors' Report

To the Board of Directors of Sakura Development Co., Ltd:

Opinions

We have audited the financial statements of Sakura Development Co., Ltd (“the Company”), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the individual financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements of current period. These matters were addressed in the context of our audit of the individual financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Company's individual financial statements of the current period are stated as follows:

Revenue recognition

For the accounting policies relating to income recognition, please refer to Note 4 (16). For the details of revenue, please refer to Note 6 (18).

The main revenue source of the Company is sales of real estate. The risk of material misstatement is the substance of revenue recognition. Revenue is related to operating performance of the management. To achieve expected financial performance, the management might override the internal control procedures to manipulate the timing of revenue recognition, which might lead to significant misstatement of profit and loss. Therefore, revenue recognition is one of the most important issue in performing our audit procedures and has been identified as one of the key audit matters.

Our principal audit procedures including:

- Test the internal control system of sales revenue and accounts receivables collection and to evaluate the effectiveness of preventing error and fraud.
- Perform substantive analytical procedures on revenue to evaluate the correctness of the timing of revenue recognition.
- Perform test of details, selecting samples from real estate sales contracts with customers and related real estate transfer registration documents to assess whether the Company recognizing revenue in accordance with its accounting policies and accounting standards.

Acquisition and valuation of Inventory

For accounting policies relating to acquiring and valuation of inventory, please refer to Note 4 (6). For details of inventory, please refer to Note 6 (3).

Inventory is significant asset for operating for the Company, which account for 92.40% of total assets. The legality of acquisition price and procedures of inventory (construction land) might affect the interest of shareholders. Besides, the valuation of inventory shall be in accordance with IAS 2. If the Company values its inventory inappropriately, it might lead to significant misstatement of financial statement. Therefore, the acquisition and valuation of inventory is one of the most important issue in performing our audit procedures and has been identified as one of the key audit matters.

Our principal audit procedures including:

- Review whether the construction lands acquiring and pricing assessment procedures are in accordance with Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
- Review contracts of acquisition of construction lands and check whether payment schedule are in accordance with the contracts.
- Obtain the Company's inventory valuation data. Select samples from the data and check to related real estate sales contracts. We also compare whether there's significant difference between the net realizable value of inventory and nearby area actual transaction information published by Ministry of Interior. For construction lands and construction-in-progress, we also obtain the Company's internal investment return analysis data to compare with current market tendency to assess whether the net realizable value is fairly presented.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chang, Yi-Chun
Teng, Hsin-Shan
BDO Taiwan
March 10, 2023

Notice to Readers

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

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

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

SAKURA DEVELOPMENT CO., LTD

Individual Balance Sheet

December 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars)

Code	Assets	Notes	December 31, 2022		December 31, 2021		Code	Liabilities	Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%				Amount	%	Amount	%
1100	Cash and cash equivalents	4. 6(1)	\$102,824	0.49	\$165,735	0.79	2100	Current liabilities					
1150	Notes receivables, net	4. 6(2)	23,683	0.11	-	-	2110	Short-term borrowings	4. 6(10)	\$1,349,000	6.44	\$1,594,900	7.59
1170	Account receivables, net	4. 6(2)	-	-	1,427	0.01	2120	Short-term notes payables	4. 6(11)	324,885	1.55	1,059,178	5.04
1200	Other receivables		2	-	-	-	2120	Financial liabilities at fair value through profit or loss- current	6(12)	278	-	-	-
130x	Inventories	4. 6(3). 8	19,366,116	92.40	19,012,046	90.50	2130	Contract liabilities - current	4. 6(18)	1,191,971	5.69	1,576,139	7.50
1410	Prepayments	4. 6(4)	53,188	0.25	13,001	0.06	2150	Notes payables		4,068	0.02	824	-
1476	Other current financial assets	4. 6(5). 8	1,089,089	5.20	1,339,310	6.38	2170	Accounts payables		559,552	2.67	478,434	2.28
1479	Other current assets	4. 6(6)(18)	223,757	1.07	358,541	1.70	2200	Other payables		386,812	1.84	493,108	2.35
11xx	Total current assets		<u>20,858,659</u>	<u>99.52</u>	<u>20,890,060</u>	<u>99.44</u>	2230	Current income tax liabilities	4. 6(21)	271,562	1.30	199,833	0.95
	Non-current assets						2250	Provisions		1,567	0.01	1,844	0.01
1600	Property, plant and equipment	4. 6(7). 8	52,431	0.25	55,643	0.26	2280	Lease liabilities – current	4. 6(8)	353	-	347	-
1755	Right-of-use assets	4. 6(8)	376	-	723	-	2321	Bonds payable– current portion	4. 6(12)	66,569	0.32	-	-
1760	Investment property, net	4. 6(9)	23,420	0.11	23,420	0.11	2322	Long-term liabilities – current portion	4. 6(13)	3,728,600	17.79	3,100,000	14.76
1780	Intangible assets	4	1,093	0.01	1,997	0.01	2399	Other current liabilities		47,568	0.23	59,006	0.28
1840	Deferred income tax assets	4. 6(21)	161	-	1,788	0.01	21xx	Total current liabilities		<u>7,932,785</u>	<u>37.86</u>	<u>8,563,613</u>	<u>40.76</u>
1920	Refundable deposits		23,348	0.11	34,498	0.17		Non-current liabilities					
15xx	Total non-current assets		<u>100,829</u>	<u>0.48</u>	<u>118,069</u>	<u>0.56</u>	2500	Financial liabilities at fair value through profit or loss – non-current	6(12)	-	-	278	-
							2530	Bonds payable	4. 6(12)	-	-	160,472	0.77
							2540	Long-term borrowings	4. 6(13)	3,064,000	14.62	3,789,200	18.04
							2580	Lease liabilities – non-current	4. 6(8)	30	-	383	-
							2645	Deposits received		1,872	0.01	4,902	0.02
							25xx	Total non-current liabilities		<u>3,065,902</u>	<u>14.63</u>	<u>3,955,235</u>	<u>18.83</u>
							2xxx	Total liabilities		<u>10,998,687</u>	<u>52.49</u>	<u>12,518,848</u>	<u>59.59</u>
								Equity					
							3100	Capital stock					
							3110	Common stock	6(15)	7,350,407	35.07	6,398,681	30.46
							3130	Bond conversion entitlement certificates	6(15)	5,959	0.03	11,772	0.06
							3200	Capital surplus	6(16)	66,136	0.31	212,580	1.01
							3300	Retained earnings	6(17)				
							3310	Legal reserve		917,090	4.37	841,691	4.01
							3350	Unappropriated earnings		1,621,209	7.73	1,024,557	4.87
							3xxx	Total equity		<u>9,960,801</u>	<u>47.51</u>	<u>8,489,281</u>	<u>40.41</u>
1xxx	Total assets		<u>\$20,959,488</u>	<u>100.00</u>	<u>\$21,008,129</u>	<u>100.00</u>		Total liabilities and equity		<u>\$20,959,488</u>	<u>100.00</u>	<u>\$21,008,129</u>	<u>100.00</u>

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

Chairman: Chen, Cheng-Kang

President: Chen, Shin-Ying

Accounting Supervisor: Shen, Shu-Chen

SAKURA DEVELOPMENT CO., LTD**Individual Statements of Comprehensive Income****For the years ended December 31, 2022 and 2021**

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

Code	Item	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	4. 6(18). 7(2)	\$6,263,951	100.00	\$4,274,315	100.00
5000	Operating costs	6(14)(20)	(3,997,951)	(63.82)	(2,915,205)	(68.20)
5900	Operating margin		2,266,000	36.18	1,359,110	31.80
5950	Net operating margin		2,266,000	36.18	1,359,110	31.80
	Operating expenses	6(14)(20)(21)				
6100	Selling expenses		(234,167)	(3.74)	(283,252)	(6.63)
6200	Administrative expenses		(104,918)	(1.68)	(91,339)	(2.14)
6000	Total operating expenses		(339,085)	(5.42)	(374,591)	(8.77)
6900	Net operating income		1,926,915	30.76	984,519	23.03
	Non-operating income and expenses	6(19)				
7100	Interest income		2,197	0.04	477	0.01
7010	Other income		1,120	0.01	1,848	0.04
7020	Other gains and losses, net		(1,517)	(0.02)	(607)	(0.01)
7050	Finance costs, net		(13,946)	(0.22)	(29,212)	(0.68)
7000	Total non-operating income and expenses		(12,146)	(0.19)	(27,494)	(0.64)
7900	Profit before income tax		1,914,769	30.57	957,025	22.39
7950	Income tax expenses	4. 6(21)	(409,359)	(6.54)	(203,032)	(4.75)
8200	Profit for the period		1,505,410	24.03	753,993	17.64
8500	Total comprehensive income for the period		\$1,505,410	24.03	\$753,993	17.64
	Earnings per share (in dollars):	4. 6(22)				
9750	Basic earnings per share		\$2.05		\$1.04	
9850	Diluted earnings per share		\$2.04		\$1.02	

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

Chairman: Chen, Cheng-Kang

President: Chen, Shin-Ying

Accounting Supervisor: Shen, Shu-Chen

(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, 2022 and 2021

(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, 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
Balance at January 1, 2022	\$6,398,681	\$11,772	\$212,580	\$841,691	\$1,024,557	\$8,489,281
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	-	75,399	(75,399)	-
Cash dividends	-	-	-	-	(128,209)	(128,209)
Stock dividends	705,150	-	-	-	(705,150)	-
Capital reserve distribution of stock dividends	192,313	-	(192,313)	-	-	-
Conversion of Bond conversion entitlement certificates	11,772	(11,772)	-	-	-	-
Conversion of convertible bonds	42,491	5,959	45,720	-	-	94,170
Unclaimed cash dividends transferred to capital surplus	-	-	149	-	-	149
Net income in 2022	-	-	-	-	1,505,410	1,505,410
Total comprehensive income in 2022	-	-	-	-	1,505,410	1,505,410
Balance at December 31, 2022	\$7,350,407	\$5,959	\$66,136	\$917,090	\$1,621,209	\$9,960,801

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

Chairman: Chen, Cheng-Kang

President: Chen, Shin-Ying

Accounting Supervisor: Shen, Shu-Chen

SAKURA DEVELOPMENT CO., LTD**Individual Statements of Cash Flows****For the years ended December 31, 2022 and 2021**

(Expressed in thousands of New Taiwan Dollars)

Item	2022	2021
Cash flow from operating activities:		
Profit (losses) before income tax for the period	\$1,914,769	\$957,025
Adjustments for:		
Depreciation expense	4,043	5,049
Amortization expense	997	811
Net (gains) losses on financial assets and liabilities at fair value through profit and loss	-	25
Losses on disposal of property, plant and equipment	-	45
Interest expense	13,946	29,212
Interest income	(2,197)	(477)
Subtotal	16,789	34,665
Change in operating assets and liabilities:		
Change in operating assets		
Decrease (increase) in notes receivable	(23,683)	174
Decrease (increase) in accounts receivable	1,427	30,789
Decrease (increase) in other receivables	(2)	-
Decrease (increase) in inventories(construction-in-progress)	(186,647)	(2,516,677)
Decrease (increase) in prepayments	(40,187)	3,446
Decrease (increase) in other current financial assets	250,221	(214,297)
Decrease (increase) in other current assets	134,784	(12,818)
Total net change in operating assets	135,913	(2,709,383)
Change in operating liabilities		
Increase (decrease) in notes payable	3,244	(6,809)
Increase (decrease) in accounts payable	81,118	3,929
Increase (decrease) in accounts payable from related parties	-	(27,953)
Increase (decrease) in other payables	(107,271)	63,354
Increase (decrease) in provisions	(277)	1,016
Increase (decrease) in contract liabilities	(384,168)	457,187
Increase (decrease) in other current liabilities	(11,438)	40,005
Total net change in operating assets and liabilities	(418,792)	530,729
Total net change in operating assets and liabilities	(282,879)	(2,178,654)
Total adjustments	(266,090)	(2,143,989)
Cash generated from operating activities	1,648,679	(1,186,964)
Interests received	2,197	477
Interests paid (including interest capitalization)	(180,116)	(162,097)
Income tax return (paid)	(336,003)	(213,147)
Net cash provided by (used in) operating activities	1,134,757	(1,561,731)
Cash flow from investing activities:		
Acquisition of property, plant and equipment	(484)	(6,853)
Acquisition of intangible assets	(93)	(2,408)
Decrease (increase) in refundable deposits	11,150	(5,280)
Net cash provided by (used in) investing activities	10,573	(14,541)
Cash flow from financing activities:		
Increase in short-term borrowings	557,000	140,300
Decrease in short-term borrowings	(578,000)	-
Increase in short-term notes payables	682,594	959,144
Decrease in short-term notes payables	(1,416,887)	(2,253,117)
Increase in long-term borrowings	403,900	3,146,100
Repayment of long-term borrowings	(725,400)	(296,900)
Payment of lease liabilities	(358)	(1,716)
Increase (decrease) in deposits received	(3,030)	4,440
Cash dividends paid	(128,209)	(111,784)
Unclaimed cash dividends transferred to capital surplus	149	48
Net cash provided by (used in) financing activities	(1,208,241)	1,586,515
Net increase (decrease) in cash and cash equivalents	(62,911)	10,243
Cash and cash equivalents at the beginning of the year	165,735	155,492
Cash and cash equivalents at the end of the year	\$102,824	\$165,735

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

Chairman: Chen, Cheng-Kang

President: Chen, Shin-Ying

Accounting Supervisor: Shen, Shu-Chen

SAKURA DEVELOPMENT CO., LTD
Earnings Distribution Statement
2022

Unit: NT\$

Opening undistributed earnings		115,799,275
Add: after-tax net profit of the current period		1,505,410,076
Subtract: provision for legal reserve (10%)		(150,541,008)
Distributable earnings		1,470,668,343
Items for distribution:		
Dividends to shareholders: stock (NT\$ 1.6 per share)	(1,177,018,620)	
Dividends to shareholders: cash (NT\$0.2 per share)	(147,127,327)	(1,324,145,947)
Closing undistributed earnings		146,522,396

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: Chen Cheng-Kang

President: Chen Shin-Ying

Head accountant: Shen Shu-Chen

SAKURA DEVELOPMENT CO., LTD

Table of Comparison of Revised Procedures for Board of Directors' Meetings

Amended articles	Existing articles	Explanation
<p>Article 3</p> <p>The Board of Directors shall be convened at least once every quarter, and the reasons for calling a Board of Directors shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.</p> <p>The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.</p> <p>The matters stated in each item of Paragraph 1 of Article 7 shall be included in the reasons for convening and may not be proposed as extempore motions.</p>	<p>Article 3</p> <p>The Board of Directors shall be convened at least once every quarter, and the reasons for calling a Board of Directors shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.</p> <p>The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.</p> <p>Article 7 stipulates that the matters mentioned in Paragraph 1 of Article 7 shall only be listed in the reasons for convocation <u>unless there are emergencies or justifiable reasons</u>, and may not be proposed as extempore motions.</p>	<p>Considering that the items in Paragraph 1 of Article 7 relate to important matters of the Company's operation, the reasons for convening the meeting shall be stated to enable directors to have sufficient information and time to evaluate their proposals before making decisions, and the provisions of Paragraph 3 shall be deleted to specify that the items in Paragraph 1 of Article 7 shall be listed in the reasons for convening the meeting and shall not be proposed by extempore motion.</p>
<p>Article 7</p> <p>The Company shall submit the following matters to the Board of Directors for discussion:</p> <p>I. Operating plan of the Company.</p> <p>II. Annual financial report and semi-annual financial report. Semi-annual financial reports that do not require checking and attesting by Certified Public Accountants in accordance with laws and regulations are not subject to this restriction.</p> <p>III. Adoption or amendment of an internal control system and conducting assessments on its effectiveness in accordance with the regulations set forth in Article 14-1 of the Securities and Exchange Act.</p> <p>IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.</p> <p>V. The offering, issuance, or private</p>	<p>Article 7</p> <p>The Company shall submit the following matters to the Board of Directors for discussion:</p> <p>I. Operating plan of the Company.</p> <p>II. Annual financial report and semi-annual financial report. Semi-annual financial reports that do not require checking and attesting by Certified Public Accountants in accordance with laws and regulations are not subject to this restriction.</p> <p>III. Adoption or amendment of an internal control system and conducting assessments on its effectiveness in accordance with the regulations set forth in Article 14-1 of the Securities and Exchange Act.</p> <p>IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.</p> <p>V. The offering, issuance, or private</p>	<p>A new Subparagraph 6 was added, stating that if the Board of Directors has no managing director, the election or dismissal of the Chairman shall be discussed by the Board of Directors. The current Subparagraphs 6 to 8 were moved to Subparagraphs 7 to 9.</p>

Amended articles	Existing articles	Explanation
<p>placement of any equity-type securities.</p> <p><u>VI. Election or dismissal of the Chairman.</u></p> <p><u>VII.</u> The appointment or dismissal of a financial, accounting, or internal auditing officer.</p> <p><u>VIII.</u> Donations to related parties or major donations to non-related parties. However, donations of public welfare nature for emergency relief due to major natural disasters may be submitted to the next subsequent Board of Directors for retroactive recognition.</p> <p><u>IX.</u> Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or Board of Directors meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>The related parties mentioned in the preceding Subparagraph 8 refer to the related parties specified in the Financial Report Preparation Standards for securities issuers. The term "major donation to non-related parties" refers to a donation of over NT\$ 100 million to the same object for each donation or within one year, or over 1% of the net operating income or over 5% of the paid-in capital in the latest year's financial report attested by Certified Public Accountants.</p> <p>Within the previous year as mentioned in the preceding item, based on the date of the current Board of Directors, one year has been retrospectively calculated, and the portion that has been approved by the Board of Directors' resolution is exempt from re-counting.</p> <p>When the Company convenes the Board of Directors, at least one independent director shall be present in person. For the first matter to be decided by the Board of Directors, all independent directors shall be present at the Board of Directors. If the independent director cannot be present in person, he/she shall be represented by other independent directors. If any dissenting or qualified opinion are raised by the independent director, they shall be recorded in the minutes of the</p>	<p>placement of any equity-type securities.</p> <p>VI. The appointment or dismissal of a financial, accounting, or internal auditing officer.</p> <p>VII. Donations to related parties or major donations to non-related parties. However, donations of public welfare nature for emergency relief due to major natural disasters may be submitted to the next subsequent Board of Directors for retroactive recognition.</p> <p>VIII. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or Board of Directors meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>The related parties mentioned in the preceding Subparagraph 7 refer to the related parties specified in the Financial Report Preparation Standards for securities issuers. The term "major donation to non-related parties" refers to a donation of over NT\$ 100 million to the same object for each donation or within one year, or over 1% of the net operating income or over 5% of the paid-in capital in the latest year's financial report attested by Certified Public Accountants.</p> <p>Within the previous year as mentioned in the preceding item, based on the date of the current Board of Directors, one year has been retrospectively calculated, and the portion that has been approved by the Board of Directors' resolution is exempt from re-counting.</p> <p>When the Company convenes the Board of Directors, at least one independent director shall be present in person. For the first matter to be decided by the Board of Directors, all independent directors shall be present at the Board of Directors. If the independent director cannot be present in person, he/she shall be represented by other independent directors. If any dissenting or qualified opinion are raised by the independent director, they shall be recorded in the minutes of the Board of Directors; If the independent</p>	

Amended articles	Existing articles	Explanation
Board of Directors; If the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she shall provide a written opinion beforehand unless there are justified reasons not to do so. The written opinion furthermore shall be noted in the minutes of the Board of Directors' meeting.	director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she shall provide a written opinion beforehand unless there are justified reasons not to do so. The written opinion furthermore shall be noted in the minutes of the Board of Directors' meeting.	
Article 12 If half of the directors are not present during the scheduled meeting, the Chairperson may announce a postponement of the meeting, with a maximum of two postponements. If the amount is still insufficient after two postponements, the Chairperson may convene a new meeting in accordance with the procedures stipulated in Paragraph 1, Article 3. All directors referred to in the preceding paragraph and Paragraph 2 of Article 17 shall be counted based on the actual incumbents.	Article 12 If half of the directors are not present during the scheduled meeting, the Chairperson may announce a postponement of the meeting, with a maximum of two postponements. If the amount is still insufficient after two postponements, the Chairperson may convene a new meeting in accordance with the procedures stipulated in Paragraph 2, Article 3. All directors referred to in the preceding paragraph and Paragraph 2 of Article 17 shall be counted based on the actual incumbents.	Amend the items under Article 3.
Article 14 When the Chairperson is of the opinion that a Board of Directors' proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote. When voting on a proposal during a board meeting, it will be considered as approved if all attending directors have no objections after the Chairperson's consultation. In case of any objection upon the request of the Chairperson, a vote shall be taken. The voting method shall be determined by the Chairperson based on the following provisions. In case of any disagreements among the attendees, the majority opinions shall be consulted to make the final decision. (I) Vote by a show of hands. (II) Vote by roll call. (III) Vote by ballot.	Article 14 When the Chairperson is of the opinion that a Board of Directors' proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote. When voting on a proposal during a board meeting, it will be considered as approved if all attending directors have no objections after the Chairperson's consultation. In case of any objection upon the request of the Chairperson, a vote shall be taken. The voting method shall be determined by the Chairperson based on the following provisions. In case of any disagreements among the attendees, the majority opinions shall be consulted to make the final decision. (I) Vote by a show of hands. (II) Vote by roll call. (III) Vote by ballot. <u>The Chairperson shall appoint a ballot scrutineer and a ballot counter, but the ballot scrutineer shall be a director.</u> <u>The directors present mentioned in the first two items do not include directors who are not allowed to exercise voting rights according to Paragraph 1 of Article 16.</u>	Adjust the revised wording accordingly to Article 15.

Amended articles	Existing articles	Explanation
<p>Article 15</p> <p>Unless otherwise stipulated in this Act and the Company Act, the resolutions of the Board of Directors shall be approved by more than half of the directors present at the meeting. <u>The directors present in this item do not include the directors who are not allowed to exercise their voting rights according to the provisions of Paragraph 1 of Article 16.</u> <u>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.</u> <u>However, if any resolution is passed, all other proposals shall be deemed rejected, and no further voting is necessary.</u> <u>If it is necessary to set up a ballot scrutineer and a ballot counter for voting on the proposal, the Chairperson shall appoint them, but the ballot scrutineer shall have the status of a director.</u> <u>Voting results shall be made known on-site immediately and recorded in writing.</u></p>	<p>Article 15</p> <p>Unless otherwise provided for in this Act and the Company Act, resolutions of the Board of Directors' proposal shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.</p>	<p>Add explanations for voting procedures.</p>
<p>Article 19</p> <p>These regulations were established on June 29, 2005, and their enactment and amendment must be approved by the Board of Directors and reported to the Shareholders' Meeting. The first revision was made on December 29, 2006, the second revision was made on March 31, 2008, the third revision was made on August 24, 2010, the fourth revision was made on August 24, 2011, the fifth amendment was made on December 27, 2012, and the sixth amendment was made on August 9, 2013. The seventh amendment was made on March 17, 2017, the eighth amendment was made on November 10, 2017, the ninth amendment was made on March 16, 2020, <u>and the tenth amendment was made on November 8, 2022.</u></p>	<p>Article 19</p> <p>These regulations were established on June 29, 2005, and their enactment and amendment must be approved by the Board of Directors and reported to the Shareholders' Meeting. The first revision was made on December 29, 2006, the second revision was made on March 31, 2008, the third revision was made on August 24, 2010, the fourth revision was made on August 24, 2011, the fifth amendment was made on December 27, 2012, and the sixth amendment was made on August 9, 2013. The seventh amendment was made on March 17, 2017, the eighth amendment was made on November 10, 2017, the ninth amendment was made on March 16, 2020.</p>	

SAKURA DEVELOPMENT CO., LTD

The “Procedures for Loaning of Funds” amendment list

Amended articles	Existing articles	Explanation
<p><u>Article 1 Purpose and basis for formulation</u></p> <p>In order to strengthen the control of the lending of funds to others and reduce operating risks, this Operating Procedure is formulated in accordance with Article 36-1 of the Securities and Exchange Act and the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.</p>	<p><u>1.</u> In order to strengthen the control of the lending of funds to others and reduce operating risks, this Operating Procedure is formulated in accordance with Article 36-1 of the Securities and Exchange Act and the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.</p>	Amendment of article number
<p><u>Article 2 Object of fund lending</u></p> <p>I. Where an inter-company or inter-firm business transaction calls for such lending arrangement.</p> <p>II. Where an inter-company or inter-firm short-term financing facility is necessary.</p> <p>III. <u>The word 'short-term' referred to in the preceding paragraph refers to a period of one year or one operating cycle, whichever is longer.</u></p> <p>IV. <u>The responsible person of a company who has violated the provisions shall be liable, jointly and severally with the borrower, for the repayment of the loan at issue and for the damages, if any, to company resulted</u></p>	<p><u>2.</u> Object of fund lending:</p> <p><u>2.1.</u> Where an inter-company or inter-firm business transaction calls for such lending arrangement.</p> <p><u>2.2.</u> Where an inter-company or inter-firm short-term financing facility is necessary.</p>	<p>1. Amendment of article number</p> <p>2. Amendments are made in line with the law.</p>

Amended articles	Existing articles	Explanation
<u>there-from.</u>		
<p><u>Article 3</u> The total amount of fund lending and the limited amount of individual objects</p> <p>I. The total amount of funds loaned by the Company to others shall not exceed 40% of the net value of our latest financial statements.</p> <p>II. Where an inter-company or inter-firm business transaction calls for such lending arrangement, the amount of individual loan lending shall not exceed the amount of business dealings between the parties. The term "business transaction amount" refers to the higher amount of goods purchased or sold between the parties in the latest year or the current year as of the date of the fund lending, but the maximum amount shall not exceed NT\$ 100 million only.</p> <p>III. Where an inter-company or inter-firm short-term financing facility is necessary, the amount of fund lending shall not exceed NT\$ 50 million only.</p>	<p><u>3.</u> The total amount of fund lending and the limited amount of individual objects:</p> <p><u>3.1.</u> The total amount of funds loaned by the Company to others shall not exceed 40% of the net value of our latest financial statements.</p> <p><u>3.2.</u> Where an inter-company or inter-firm business transaction calls for such lending arrangement, the amount of individual loan lending shall not exceed the amount of business dealings between the parties. The term "business transaction amount" refers to the higher amount of goods purchased or sold between the parties in the latest year or the current year as of the date of the fund lending, but the maximum amount shall not exceed NT\$ 100 million only.</p> <p><u>3.3.</u> Where an inter-company or inter-firm short-term financing facility is necessary, the amount of fund lending shall not exceed NT\$ 50 million only.</p>	Amendment of article number
<p><u>Article 4 Duration of loans and calculation of interest</u></p> <p>I. <u>The term of each fund loan shall not exceed one year from the date of money lending.</u></p> <p>II. The method of interest calculation for fund loans shall not be lower than the average</p>	<p><u>4.</u> Duration of loans: The maximum loan term for funds is one year.</p> <p><u>5.</u> Interest calculation method: The method of interest calculation for fund loans shall not be lower than the average interest rate of the Company's</p>	<p>1. Amendment of article number</p> <p>2. Revised wording</p>

Amended articles	Existing articles	Explanation
interest rate of the Company's borrowings from financial institutions and shall be calculated monthly. In case of special circumstances, the interest may be adjusted according to the actual situation with the consent of the Board of Directors.	borrowings from financial institutions and shall be calculated monthly. In case of special circumstances, the interest may be adjusted according to the actual situation with the consent of the Board of Directors.	
<p><u>Article 5</u> Procedures for handling and reviewing fund loans</p> <p>I. <u>When the Company handles the matters related to fund lending, the borrower must provide relevant financial information, state the purpose of the borrowing, and submit a written application.</u></p> <p>II. <u>After the Company accepts the application, the responsible unit shall review its necessity and rationality, the financial position, solvency and credit, profitability of the enterprise it operates, and the purpose of borrowing for investigation and assessment. After considering the impact of the total amount of the Company's fund loans on the Company's operational risk, financial position, and shareholders' equity, the responsible unit shall prepare a written report and submit it to the Audit Committee and the Board of Directors.</u></p> <p>III. When the Company handles fund</p>	<p><u>6.</u> Procedures for handling and reviewing fund loans:</p> <p><u>6.1. When the relevant units of the Company accept the above-mentioned object's request for financing, they shall review its necessity, evaluate its purpose, amount, term, repayment plan and credit risk, report and submit it for approval, and the relevant departments and offices shall review and endorse their opinions. The interest rate and term will be determined by the fund unit, submitted to the Chairman of the Board of Directors for approval and submitted to the Board of Directors for authorization before handling. The opinions of each independent director shall be fully considered at the discussion session of the board meeting. The clear consent or opposition and the reasons for an objection of the independent director shall be stated in the board meeting minutes.</u></p>	<p>1. Amendment of article number</p> <p>2. Cooperate with the revision of laws and regulations and make wording amendments as appropriate</p>

Amended articles	Existing articles	Explanation
<p>lending matters, we shall obtain a guarantee promissory note of the same amount. If necessary, we shall establish a chattel mortgage or a real estate mortgage, and evaluate whether the value of the collateral is equivalent to the balance of the fund lending on a <u>quarterly basis</u>. If necessary, we shall provide additional collateral. The collaterals shall be insured in accordance with the regulations except for lands and marketable securities. The insured amount shall not be less than the replacement cost of the collaterals, and the Company shall be noted as the beneficiary on the insurance policy.</p> <p>For the guarantee mentioned in the preceding paragraph, if the debtor provides an individual or company with considerable financial resources and credit as a guarantee in lieu of providing the collateral, the Board of Directors shall refer to the credit assessment reporting of the Ministry of Finance for handling; if the company is the guarantor, attention shall be paid to whether there are terms stipulated in its Articles of Association as guarantees.</p> <p>IV. When the borrower repays the loan at or before its maturity, the interest payable shall be calculated first. Once the</p>	<p><u>6.2.</u> When the Company handles fund lending matters, we shall obtain a guarantee promissory note <u>or loan agreement</u> of the same amount. If necessary, we shall establish a chattel mortgage or a real estate mortgage, <u>and the responsible unit shall assess every six months</u> whether the value of the collateral is equivalent to the balance of the fund loan. If necessary, we shall provide additional collateral.</p> <p><u>6.3.</u> The collaterals shall be insured in accordance with the regulations except for lands and marketable securities. The insured amount shall not be less than the replacement cost of the collaterals, and the Company shall be noted as the beneficiary on the insurance policy.</p> <p>For the guarantee mentioned in the preceding paragraph, if the debtor provides an individual or company with considerable financial resources and credit as a guarantee in lieu of providing the collateral, the Board of Directors shall refer to the credit assessment reporting of the Ministry of Finance for handling; if the company is the guarantor, attention shall be paid to whether there are terms stipulated in its Articles of Association as guarantees.</p> <p><u>6.4.</u> When the borrower repays the loan at or before its maturity, the interest payable shall be</p>	

Amended articles	Existing articles	Explanation
principal is fully settled, before the promissory note can be returned to the borrower or <u>the mortgage right can be discharged.</u>	calculated first. Once the principal is fully settled, the promissory note <u>or loan agreement shall be cancelled</u> and returned to the borrower, or the mortgage shall be discharged accordingly.	
<p><u>Article 6</u> Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights</p> <p>I. When the Company handles the matters of fund lending, the Finance Department shall establish a memorandum book to record in detail the matters that shall be carefully evaluated according to the review procedures, such as object of fund lending, amount, date of approval by the Board of Directors, fund lending/borrowing date.</p> <p>II. After the loan is released, the financial, business and relevant credit status of the borrower and the guarantor shall be paid attention to frequently. If any collateral was provided, attention shall be paid to whether there is any change in the value of the collateral. In case of major changes, the <u>General Manager and responsible units shall be notified immediately for prompt handling.</u></p>	<p><u>7.</u> Subsequent measures for control and management of loans, and procedures for handling delinquent creditor's rights</p> <p><u>7.1.</u> After the loan is released, the financial, business and relevant credit status of the borrower and the guarantor shall be paid attention to frequently. If any collateral was provided, attention shall be paid to whether there is any change in the value of the collateral. In case of major changes, the <u>Chairman shall be notified immediately for prompt handling.</u></p> <p><u>7.2.</u> The borrower shall repay the <u>principal and interest immediately when the loan is due. If it is necessary to extend the period of time due to failure to compensate, a request shall be made in advance and submitted to the Board of Directors for approval. The Company shall punish and seek compensation according to law for any violators</u> who provided collaterals or guarantors.</p> <p><u>8.</u> Internal control</p>	<p>1. Amendment of article number</p> <p>2. Revised wording</p>

Amended articles	Existing articles	Explanation
<p>III. <u>If the borrower fails to make compensation within the time limit</u>, the Company may dispose of and claim compensation for the collaterals or guarantors provided by the borrower according to law.</p> <p>IV. <u>If, as a result of the Company's change in circumstances, an entity for which an endorsement/guarantee is made does not meet the requirements of relevant regulations or the loan balance exceeds the limit</u>, a public company shall adopt rectification plans and submit the rectification plans to the Audit Committee and the Board of Directors, and shall complete the rectification according to the timeframe set out in the plan.</p> <p>V. The internal audit units of the Company shall audit the Procedures for Loaning of Funds and the implementation thereof on a quarterly basis with a written record documented and inform the Audit Committee in writing for any major violation identified.</p>	<p>8.1. When the Company <u>handles</u> the matters of fund lending, the Finance Department shall establish a memorandum book to record in detail the matters that shall be carefully evaluated according to the review procedures, such as object of fund lending, amount, date of approval by the Board of Directors, fund lending/borrowing date. <u>In addition, according to the preparation rules of the financial report of the securities issuer, the Company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall disclose load lending information in its financial reports and provide Certified Public Accountants with relevant information for implementation of necessary auditing procedures.</u></p> <p>8.2. <u>When the object of fund lending originally meets the regulations but later does not comply with the regulations, or the amount of the fund lending exceeds the set limit due to changes in the basis for calculating the limit, an improvement plan shall be formulated for the object's fund lending amount or the exceeding part, and reported to the Board of Directors. The relevant improvement plan shall be</u></p>	

Amended articles	Existing articles	Explanation
	<p>submitted to the Audit Committee, and the improvement shall be completed according to the plan schedule.</p> <p><u>8.3.</u> The internal audit units of the Company shall audit the Procedures for Loaning of Funds and the implementation thereof on a quarterly basis with a written record documented and inform the Audit Committee in writing for any major violation identified.</p>	
<p><u>Article 7</u> Announcement and reporting procedures</p> <p>I. The Company shall announce and report the previous month's loan balances of its head office and subsidiaries by the 10th day of each month.</p> <p>II. The Company and its subsidiaries whose loan balances of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>(I) The balance of the loaning balances of the fund reaches 20% or more of the Company and its subsidiaries' net worth as stated in the latest financial statements.</p> <p>(II) The balance of the loaning balances of the fund for a single enterprise reaches 10% or more of the</p>	<p><u>11.</u> Announcing and reporting procedures</p> <p><u>11.1.</u> The Company shall announce and report the previous month's loan balances of its head office and subsidiaries by the 10th day of each month.</p> <p><u>11.2.</u> The Company and its subsidiaries whose loan balances of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p><u>11.2.1.</u> The balance of the loaning balances of the fund reaches 20% or more of the Company and its subsidiaries' net worth as stated in the latest financial statements.</p> <p><u>11.2.2.</u> The balance of the loaning balances of the fund for a single enterprise reaches 10% or more of the</p>	<p>1. Amendment of article number</p> <p>2. Amendments are made in line with the law.</p>

Amended articles	Existing articles	Explanation
<p>Company and its subsidiaries' net worth as stated in the latest financial statements.</p> <p>(III) The new loaning of fund amount reaches NT\$ 10 million or more equivalent to 2% or more of the the Company and its subsidiaries' net worth as stated in the latest financial statements.</p> <p>(IV) The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to the preceding paragraph.</p> <p>III. <u>The term "Date of Occurrence" in this operating procedure refers to the date of contract signing, date of payment, board meeting resolution date, or other date that can confirm the counterparty and monetary amount of the transaction amounts, whichever date is earlier.</u></p>	<p>Company and its subsidiaries' net worth as stated in the latest financial statements.</p> <p><u>11.2.3.</u> The new loaning of fund amount reaches NT\$ 10 million or more equivalent to 2% or more of the the Company and its subsidiaries' net worth as stated in the latest financial statements.</p> <p><u>11.2.4.</u> The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to the preceding paragraph.</p>	
<p><u>Article 8</u> Penalties</p> <p>If the Company's managers or personnel handle lending funds to others. In case of any violation of the public company's loan lending and endorsement guarantee handling</p>	<p><u>9.</u> Penalties:</p> <p>If the managers and personnel of the Company handling loan lending violate this procedure, they must make improvements within one month. If they fail to make improvements within</p>	<p>Amendment of article number</p>

Amended articles	Existing articles	Explanation
standards or handling regulations of the Company's lending loan to others, punishment will be imposed in accordance with the Company's management regulations, based on the severity of the situation.	the stipulated time, their job positions shall be immediately adjusted.	
<p><u>Article 9</u> Procedures for controlling and managing loans of funds to others by subsidiaries</p> <p>Where a subsidiary of the Company intends to make loans to others, <u>the Company shall instruct it to formulate its own Operational Procedures for Loaning Funds to Others in compliance with the regulator</u>, and it <u>shall</u> comply with the Procedures when loaning funds.</p>	<p><u>10.</u> Procedures for controlling and managing loans of funds to others by subsidiaries</p> <p>Where a subsidiary of the Company intends to make loans to others, the subsidiary shall formulate its own Operational Procedures for Loaning Funds to Others in accordance with these regulations, and it shall comply with the Procedures when loaning funds.</p>	<p>1. Amendment of article number</p> <p>2. Revised wording</p>
<p><u>Article 10</u> Implementation and amendment</p> <p>I. The “Operational Procedures” shall be approved <u>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. <u>When the Board of Directors makes a resolution</u>, if a director expresses an objection with a record or written statement on file, the Company shall report his/her disagreement to the Shareholders' Meeting for discussion.</p> <p>II. <u>If the approval of one-half or more of all Audit Committee members as required in the</u></p>	<p><u>12.</u> Implementation and amendment</p> <p><u>12.1.</u> The “Operational Procedures” shall be approved by the Audit Committee, 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 Company shall report his/her disagreement to the Shareholders' Meeting for discussion.</p> <p><u>12.2. When the Company submits this Operating Procedure to the Board of Directors for discussion in accordance with the foregoing provisions, the opinions of each independent</u></p>	<p>1. Amendment of article number</p> <p>2. Cooperate with the revision of laws and regulations and make wording amendments as appropriate</p>

Amended articles	Existing articles	Explanation
<p><u>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.</u></p> <p><u>The Audit Committee members and all members of Board of Directors mentioned are counted by the actual incumbent.</u></p>	<p><u>director shall be fully considered at the discussion session of the board meeting.</u></p> <p><u>The clear consent or opposition and the reasons for an objection of the independent director shall be stated in the board meeting minutes.</u></p>	
<p><u>Article 11</u> Supplementary provisions</p> <p>If any matters are not covered by these operating procedures, they shall be handled in accordance with the relevant laws and regulations.</p>	<p><u>13.</u> Supplementary provisions</p> <p>If any matters are not covered by these operating procedures, they shall be handled in accordance with the relevant laws and regulations.</p>	Amendment of article number

SAKURA DEVELOPMENT CO., LTD

The “Rules of Procedures for Shareholders Meetings” amendment list

Amended articles	Existing articles	Explanation
<u>Article 1</u> The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or <u>the articles of incorporation</u> , shall be as provided in these Rules.	I. The Company's shareholders' meetings shall be conducted in accordance with these Rules and Procedures, unless otherwise provided by law.	Adjust the wording and provide explanations as appropriate. Name change of all articles.
<u>Article 2</u> 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. <u>When the shareholders' meeting is convened by video conference, the sign-in process shall begin on the video conference platform 30 minutes before the meeting commences. Shareholders who have completed the sign-in shall be deemed to have attended the shareholders' meeting in person.</u> The number of shares in attendance shall be counted according to the shares indicated in the sign-in book <u>or the sign-in cards handed in and the sign-in record on the video conference platform plus the number of shares whose voting rights are exercised by electronic means.</u>	II. The Company shall provide an attendance log to record 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.	Revise the reporting time and procedures for shareholders attending the video conference. When the Shareholders' Meeting is revised through video conferencing, the number of shares reported through video conferencing shall be added when calculating the total number of shares in attendance.
<u>Article 3</u> Shareholder attendance and votes are calculated by the number of shares represented during the meeting. <u>If the shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference shall register with the Company two days prior to the shareholders' meeting.</u>	III. Shareholder attendance and votes are calculated by the number of shares represented during the meeting.	Shareholders attending the meeting through video conferencing shall register with the Company two days prior to the meeting.
<u>Article 4</u> 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.	IV. 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.	When the Company convenes a shareholders' meeting by video conference, it is not subject to the restriction on the venue of the meeting.

Amended articles	Existing articles	Explanation
<u>When the Company convenes a shareholders' meeting by video conference, it is not subject to the restriction on the venue of the meeting under the preceding paragraph.</u>		
Article 5 (Omitted) Article 6 (Omitted)	V. (Omitted) VI. (Omitted)	Name change of an article.
Article 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. <u>If a shareholders' meeting is convened by video conference, the Company shall keep records of shareholders' registration, sign-in, questions raised, as well as voting and the Company's vote counting results and retain the records, while making an uninterrupted audio and video recording of the entire video conference.</u> <u>The above-mentioned materials and audio and video recordings shall be properly kept by the Company during the period of its existence, and the audio and video recordings shall be provided to those who are entrusted to handle the video conference affairs for storage.</u>	VII. The whole course of a shareholders' meeting shall be recorded on audio or video tape and shall be retained for at least one year.	Add provisions for the preservation of audio and video recordings of shareholder meetings held via audio and video conferences.
Article 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; <u>If attending shareholders still represent less than one third of the total number of issued shares after two postponements, the chair shall declare the meeting adjourned. If a shareholders' meeting is convened by video conference, the Company shall also declare the meeting adjourned on the video conference platform.</u> If there are not enough shareholders	VIII. 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 for 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 175,	When revising the shareholders' meeting through video conferencing, if the Chairperson announces the suspension of the meeting, the Company shall also announce the suspension on the shareholders' meeting video conference platform to promptly inform shareholders. Revised in accordance with the regulations of the regulator.

Amended articles	Existing articles	Explanation
<p>representing at least one third of issued shares attending the meeting after two postponements <u>in the preceding paragraph</u>, tentative resolutions may be passed in accordance with Paragraph 1, Article 175 of the Company Act. <u>Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. If a shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 3.</u></p> <p>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 175, Item 1 of the Company Act.</p> <p><u>When a shareholders' meeting is convened by video conference the chair shall declare the requirement on the date of the meeting postponed or resumed within five days due to any natural disasters, accidents, or other force majeure events that have obstructed the video conference platform or the participation in the video conference for more than 30 minutes under Article 182 of the Company Act shall not apply before the chair declares the meeting adjourned.</u></p>	Item 1 of the Company Act.	
Article 9 (Omitted)	IX. (Omitted)	Name change of an article.
<p>Article 10</p> <p>Before speaking, an attending shareholder shall specify on a speaker's slip the subject of the speech, their shareholder account number (or attendance card <u>number</u>), and account name. The order in which shareholders speak will be set by the chair.</p> <p>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.</p>	<p>X. 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.</p> <p>A shareholder present at the meeting that merely submits a statement slip without speaking is considered not to have spoken If the shareholder's</p>	Revised in accordance with the regulations of the regulator.

Amended articles	Existing articles	Explanation
<p>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.</p> <p><u>If a shareholders' meeting is convened by video conference, shareholders who participate by video conference may ask questions in text on the video conference platform after the chair calls the meeting to order and before the chair declares the meeting adjourned. The number of questions raised by each shareholder for each motion shall not exceed two, each question shall be limited to 200 words, and the provisions of Article 11, Article 12 and Paragraphs 1 to 3 of this Article shall not apply.</u></p>	<p>actual comments differ from those stated on the statement slip, only the actual comments expressed shall be recorded.</p> <p>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.</p>	
Article 11 ~ Article 14 (Omitted)	XI ~ XIV (Omitted)	Name change of an article.
<p><u>Article 15</u></p> <p>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.</p> <p><u>When a shareholders' meeting is convened by video conference, the Company shall immediately disclose the voting results and election results of various motions on the video conference platform in accordance with the regulations and shall continue to disclose for at least 15 minutes after the chair declares the meeting adjourned.</u></p>	<p>XV. 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.</p>	Revised in accordance with the regulations of the regulator.
Article 16 ~ Article 20 (Omitted)	XVI ~ XX (Omitted)	Name change of an article.

Articles of Association of SAKURA DEVELOPMENT CO., LTD

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:
- (I) F111090 wholesale of building materials.
 - (II) F113010 wholesale of machinery.
 - (III) H701010 Residence and building development and leasing.
 - (IV) H701020 industrial plant development and leasing.
 - (V) H701030 Funeral facility development and leasing.
 - (VI) H701040 Specialized field construction and development
 - (VII) H701050 Public Works Construction and Investment
 - (VIII) H701060 New County and Community Construction and Investment
 - (IX) H701070 Land Levy and Delimit
 - (X) H701080 Urban Renewal Reconstruction.
 - (XI) H702010 Construction management
 - (XII) H703090 Real Estate Commerce
 - (XIII) H703100 Real Estate Rental and Leasing
 - (XIV) I102010 Investment Consulting
 - (XV) I503010 landscape and interior designing.
 - (XVI) F401010 International Trade
 - (XVII) ZZ99999 All business items that are not prohibited or restricted by law, except those subject to special approval.
- Article 3: The Company's headquarters is located 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 the 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.

The Company is not required to print share certificates. Nevertheless, it 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: The entries in the shareholders' roster shall not be altered 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.

Chapter 3. Shareholders' Meeting

Article 10: Shareholders' meetings include annual shareholders' meetings and extraordinary meetings. Annual shareholders' meetings shall be convened 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 6 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.

The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

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: If a shareholders' meeting is convened by the board of directors, the Chairperson of the meeting shall be the chairman of the board of directors. 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 in 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 directors stated in the preceding paragraph shall include at least three independent 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 to 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 have 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.
The twentieth-fifth amendment was made on June 16, 2022.

SAKURA DEVELOPMENT CO., LTD

Rules of Procedure for Shareholders' Meetings (Before Amendment)

- I. The Company's shareholders' meetings shall be conducted in accordance with these Rules and Procedures, unless otherwise provided by law.
- II. The Company shall provide an attendance log to record 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.
- III. Shareholder attendance and votes are calculated by the number of shares represented during the meeting.
- IV. 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.
- V. 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 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.
- VI. The company may summon its lawyers, certified public accountants, and any relevant personnel to be present at the shareholders' meeting.
- VII. The whole course of a shareholders' meeting shall be recorded on audio or video tape and shall be retained for at least one year.
- VIII. 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 for 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 175, Item 1 of the Company Act.
- IX. 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.

- X. 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.

- XI. Unless otherwise permitted by the Chairman, each shareholder shall speak no more than two times, for five minutes each, on the same agenda item.

- XII. If the corporate shareholder is attending as 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.

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

- XIV. 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.

- XV. 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.

- XVI. While the shareholders' meeting is in session, the chair may allocate and announce appropriate time for breaks.

- XVII. 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.

- XVIII. 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.

- XIX. The chair may instruct the inspectors (or security personnel) to assist in maintaining order in the meeting venue.

- XX. These rules shall come into force on the approval of the shareholders' meeting, as shall any amendment.

SAKURA DEVELOPMENT CO., LTD

Procedures for Election of Directors

Article 1

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.

Article 2

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.

Article 3

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:

I. Basic requirements and values: Gender, age, nationality, and culture.

II. Professional knowledge and skills: A professional background (e. g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

I. The ability to make judgments about operations.

2. Accounting and financial analysis ability.

3. Business management ability.

4. Crisis management ability.

5. Knowledge of the industry.

6. An international market insight.

7. Leadership ability.

8. Decision-making ability.

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.

The Board of Directors of this Corporation shall consider adjusting its composition based on the results of the performance evaluation.

Article 4

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.

Article 5

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.

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.

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 within 60 days of the occurrence of that fact to hold a director by-election.

When the number of independent directors falls below that required under the proviso of Paragraph 1, Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. 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.

Article 6

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.

Article 7

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.

Article 8

The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9

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.

Article 10

An election ballot is invalid under any of the circumstances listed on the left:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11

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.

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 shall be reserved until the end of the proceedings.

Article 12

The Board of Directors of the Company shall issue notifications to the persons elected as directors.

Article 13

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

SAKURA DEVELOPMENT CO., LTD

Status of Holdings of Directors

Record Date: April 15, 2023

Title	Name	Registered shares as of the book closure date	
		No. of Shares	Percentage
Chairman	Ho-Yang Management Consultant Co., Ltd. Representative: Chen Cheng-Kang	140,159,703	19.01%
Directors	Ho-Yang Management Consultant Co., Ltd. Representative: Shen Shu-Chen		
Directors	Chen Shin-Ying	4,373,768	0.59%
Directors	Pai Shu-Chen	1,190,074	0.16%
Independent director	Hsu Chen-Hua	0	0%
Independent director	Wang Kuei-Yuan	0	0%
Independent director	Hung Ming-Tsung	0	0%
Total		145,723,545	

Note: 1. The Company's total directors' shareholdings as required by law are: 23,595,037 shares; total directors' shareholdings as of April 15, 2023 were: 145,723,545 shares.

2. The Company has established an Audit Committee; therefore, there is no applicable information on the number of shares retained by supervisors.